THE AUSTRALIAN

SE Business

HD **DATAROON**

BY Edited by Bridget Carter

WC 1,071 words

PD 24 November 2014

SN The Australian

SC AUSTLN

ED Australian

PG 18

LA English

LP

Hart set on $1bn bonanza in sell-off ONE of Australasia's largest suppliers of wood products, Carter Holt Harvey Building Supplies, is being positioned for a **sale** that could reap New Zealand's richest man Graeme Hart at least $1 **billion**.

It is understood that Mr Hart's private empire, Rank Group, had drafted in advisers Goldman Sachs and Credit Suisse First Boston for the potential divestment of the building materials business.

TD

It comprises three divisions — Woodproducts Australia, Woodproducts New Zealand and Carters Building Supplies.

A sales process could attract some of Australia's largest building materials players as suitors.

But the **sale** will hinge on the price.

Australia's building materials industry is facing growing competition from cheaper imports, causing major players to shut down local plants, Many assets in the sector are being sounded out by some private **equity** suitors, hoping to secure them at discounts.

Boral is understood to have circled the business in the past, but was thought to have been put off by a price considered too bullish.

Boral and Carters jointly own a sawmill at Oberon in central western NSW. Fletcher Building, a dual-listed Australasian business, could also be a logical suitor.

Carters building products operation employs 5000 people and has annual sales of about $2.1bn, selling a wide range of timber ranging from plywood to flooring and are sold under brand names such as Pinex, All Seasons and Ramsey Roundwood.

Should Mr Hart launch the sales process, it will follow others this year for parts of his global packaging empire worth a collective $US9bn ($10.4bn) through Credit Suisse, JPMorgan, Evergreen and Goldman Sachs.

Mr Hart is reportedly worth $NZ6.4bn ($5.8bn).

Ferrovial power bid SPANISH construction giant Ferrovial could be positioning itself to join one of the potential bidding consortiums for the NSW government's $30bn worth of poles and wires electricity assets, in what would be one of the largest privatisation deals in Australian history, according to sources.

It explains Ferrovial's latest attempt to buy listed services **company** Transfield for $1bn, with thought that the business would position the group to wade deeper into the Australian utilities arena.

Among Transfield's activities are managing, operating and maintaining services to the power generation and the associated transmission and distribution industry. Investment banks have launched preliminary discussions with potential buyers of NSW power assets, which are likely to be sold through Deutsche and UBS after the state election next year.

The assets are set to attract some of the world's largest infrastructure investors and sovereign wealth funds. Australian Super, Borealis and Hastings Funds Management, Singapore Power, Cheung Kong Infrastructure Holdings, State Grid Corporation of **China**, Australia's APA Group and Duet have all been touted as potential bidders.

Ferrovial is conducting due diligence on Transfield and may lift its offer of $1.95 a share, which the board had said was too low.

The Spanish group and its UBS advisers targeted the listed **company** after initially mulling a potential **acquisition** of Leighton Holdings contractor John Holland and its services assets, which are expected to sell for a price in the **billions**.

Spectators are betting Leighton will announce by the year's end that **China** Communications Construction **Company** will buy John Holland, while a private **equity** buyer is mooted for the services assets, in deals advised by Macquarie Capital.

Adding weight to the theory is that Leighton Holdings is said to have recently included CCCC in talks, with its John Holland clients still owing about $200 **million** for work so that the **Chinese** suitor could understand what the claims were.

Davis mulls **copper** bid FORMER Xstrata boss Mick Davis is set to throw his hat in the ring for the **sale** of Anglo American's three Chile **copper** mines, but some are suggesting the **mining** tycoon could face competition from Australian listed suitors OZ Minerals or PanAust.

Flyers for a **sale** of the assets, which are not all fully owned by Anglo American, have recently been sent out.

The mines are set to sell for at least $1bn and Mr Davis's **company**, X2, is known to be cashed up and on the hunt for **acquisition** opportunities after previously being linked to a potential **purchase** of BHP Billiton's **operations**.

Mr Davis, who sold Xstrata last year to Glencore for $US27bn, has raised $US4.8bn ($5.5bn) from a handful of investors to set up a diversified **mining** giant, according to reports.

Sources have said OZ Minerals, which has a $1bn market capitalisation, would probably bid, but the question could be whether the **company** is large enough to take on heavyweight rival investors.

PanAust was also thought to be potentially in the mix.

However, major players out of Canada were expected to be strong contenders.

Media assets a hard sell QUADRANT Private **Equity**'s successful $725m raising for its $1bn aged care float, Estia Health, shows there is still plenty of appetite from Australian investors when it comes to securing exposure to the healthcare sector.

But trying to create the same level of demand from local groups for New Zealand newspapers and radio assets has not proved easy for listed APN News & Media.

After a string of management meetings with potential investors last week, it seems the most likely scenario to play out is that APN will launch an initial public offering for its New Zealand division, NZME, next year, with a greater effort on targeting shareholders across the Tasman.

It is understood the float is being pitched as a high-yielding retail play for the Kiwis.

Forsyth Barr and First NZ Capital-Credit Suisse have been fronting investors, testing appetite for a potential float estimated at between $280m and $490m.

The portfolio includes New Zealand's largest newspaper, The New Zealand Herald, and No 1 radio station NewstalkZB.

It is understood APN was hoping to secure about seven times earnings for the business, but others say a multiple of about four times is more appropriate.

Retail currency broker FxPrimus is the latest **company** trying to capitalise on buoyant local sharemarket conditions. The **company**, which recently held a pre-IPO roadshow with adviser Wilson

HTM, is believed to have aspirations to raise $117m, to launch on market with a value of $225m. This equates to 15 times net profit for 2015,and some are sceptical the deal will get away.

CO	cholt : Carter Holt Harvey Ltd | rkgrp : Rank Group Ltd
IN	ibuildpr : Building Materials/Products | icre : Real Estate/Construction | i0 : Agriculture | i02 : Forestry/Logging
NS	ccat : Corporate/Industrial News
RE	austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania
PUB	News Ltd.
AN	Document AUSTLN0020141123eabo00033

