



Display Options ▼

+ Related Dow Jones Intelligent Indexing™

Listen to Article | Share

FINANCIAL REVIEW

Market Wrap - Street Talk

China Communications to buy Leighton's John Holland

Sarah Thompson, ANTHONY MACDONALD, Jake Mitchell

Edited by Sarah Thompson, Anthony Macdonald and Jake Mitchell

276 words

12 December 2014

[The Australian Financial Review](#)

AFNR

First

14

English

Copyright 2014. Fairfax Media Management Pty Limited.

[China Communications Construction Co](#) is poised to sign a \$1 billion deal with [Leighton Holdings](#) to purchase its John Holland construction unit, as revealed by [AFR.com](#) on Thursday.

The situation remains fluid but it's believed China Communications is keen to gain an Australian foothold as governments at all levels promise to deliver substantial infrastructure projects in the next five years.

The two parties have been in exclusive talks for the past month after [China Communications](#) saw off rival bidders ATEC Rail Group and Samsung.

It's understood [China Communications](#) has met with John Holland's major customers in recent weeks, seeking their permission to take over the Australian construction company's contracts.

It's believed [China Communications](#) has almost finished that process, paving the way for a deal to be signed.

Melbourne-based John Holland, which has \$4.7 billion in annual revenues, was acquired by Leighton in 2000 and is chaired by Janet Holmes à Court.

The construction business provides a wide range of services, including tunnelling, building and railway operations and maintenance.

Leighton chief executive Marcelino Fernández Verdes has indicated the contracting giant's asset sale program is well progressed and its restructure is on track for completion by the year's end.

An announcement could be made as early as Friday. A spokesperson for Leighton declined to comment.

[Macquarie Group](#) is advising [Leighton](#); [Morgan Stanley](#) is tending to [China Communications](#).

Leighton is also looking to sell its services division, with private equity giant TPG thought to be among potential buyers.

Fairfax Media Management Pty Limited

Document AFNR000020141211eacc00031