

HD Leighton to Sell John Holland Unit to Chinese Construction Company -- Update**WC** 596 words**PD** 12 December 2014**ET** 11:14**SN** Dow Jones Institutional News**SC** DJDN**LA** English**CY** Copyright © 2014, Dow Jones & Company, Inc.**LP**

By Robb
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MELBOURNE, Australia--Leighton Holdings Ltd. will sell its John Holland building division to **China Communications Construction Co.** for about 1.15 **billion** Australian dollars (\$950.9 **million**), giving the **Chinese firm** a large foothold in Australia and allowing Leighton to cut debt as its German parent **company** tightens its grip.

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Sydney-based Leighton said it had signed a binding agreement to sell the business to a unit of the **Hong Kong** and Shanghai-listed CCCC, one of the world's biggest construction companies. The **sale** is subject to conditions including approval from Australia's Foreign Investment Review Board.

The deal follows a strategic review launched in June by Marcelino Fernandez Verdes, the chief executive of majority owner Hochtief AG who took the reins at Leighton in March as the German **company** moved to increase its **stake** in the Australian **company**.

Leighton is also considering the **sale** of its services and property businesses or taking on partners as it refocuses on such **operations** as engineering and contract **mining**.

Mr. Fernandez Verdes said the **company**, after an extensive global **sale** process, achieved a price for John Holland that reflects its position as one of Australia's leading engineering and construction companies.

The proceeds will allow Leighton to cut its debt-to-**equity** position and will be used to finance growth, particularly in public-private partnerships, he said.

With the **sale**, about 4,100 employees will transfer to CCCC International Holding Ltd. It will **lead** to a fall in Leighton's annualized revenue of about A\$3.7 **billion** and a drop in work-in-hand of about A\$5.4 **billion**, the **company** said.

Leighton has been working to rebuild its balance sheet after taking a hit in recent years from problematic infrastructure projects and the global financial crisis. It has been sharpening its focus on major construction contracts such as airports and Asian casinos as **mining** investment has slowed globally.

It recorded a net profit of A\$430.2 **million** for the nine months through September, down 3% on a year earlier when profits were bolstered by the **sale** of a majority **stake** in its telecommunications assets

The John Holland business provides contracting and engineering services to industries including **energy** and **mining**, with **operations** across Australia and New Zealand as well as in South East Asia and the Middle East.

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Access Investor Kit for Leighton Holdings Ltd.

Visit http://www.companyspotlight.com/partner?cp_code=P479&isin=AU000000LEI5

Access Investor Kit for **China** Communications Construction Co. Ltd.

Visit http://www.companyspotlight.com/partner?cp_code=P479&isin=CNE1000002F5

Access Investor Kit for Hochtief AG

Visit http://www.companyspotlight.com/partner?cp_code=P479&isin=DE0006070006

Corrections & Amplifications

This item was corrected at 0311 ET (0811 GMT) to reflect that About 4,100 employees at Leighton Holdings Ltd.'s John Holland business will transfer to CCCC International Holding Ltd. The original version incorrectly said about 1,400 employees would transfer.

12 Dec 2014 03:16 ET Correction to Leighton to Sell John Holland Unit Article Thursday

About 4,100 employees at Leighton Holdings Ltd.'s John Holland business will transfer to CCCC International Holding Ltd. "Leighton to Sell John Holland Unit to **Chinese** Construction **Company** -- Update," at 0014 GMT Friday, incorrectly said about 1,400 employees would transfer to CCCC International in the seventh paragraph.

(END) Dow Jones Newswires

December 12, 2014 03:16 ET (08:16 GMT)

CO charb : China Communications Construction Co., Ltd. | leiho : Leighton Holdings Ltd | jhgpl : John Holland Group Pty Ltd | hocht : Hochtief AG | ocisa : ACS Actividades de Construcciones y Servicios SA

IN i502 : Heavy Construction | iindstrls : Industrial Goods | iconst : Construction | icre : Real Estate/Construction

NS c182 : Asset Transactions | c181 : Acquisitions/Mergers/Takeovers | ccat : Corporate/Industrial News | ncrx : Corrected Items | neqac : Equities Asset Class News | nhotbn : Hot Business News | c18 : Ownership Changes | cactio : Corporate Actions | ncat : Content Types | ndj : Dow Jones Top Stories | nfact : Factiva Filters | nfcpin : C&E Industry News Filter | ntop : Top Wire News | redit : Selection of Top Stories/Trends/Analysis

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