



Connections: Ralph Sarich, Wyllie Group and Tony Grist have tied up Futuris' stake in Amcom Telecommunications, locking out bigger rivals.

Sarich, Wyllie swoop on Futuris' telco stake

RACHEL DONKIN

Ralph Sarich, the Wyllie Group and Tony Grist have pounced on Futuris' stake in Amcom Telecommunications, tying up control of the group in a deal which effectively locks out bigger rivals and leaves the telco free to pursue a tie-up with iiNet.

The Perth-based company emerged from a trading halt yesterday to confirm Futuris would quit its 50.1 per cent stake in the telco in two stages, the first being a sell-down yesterday of 170 million shares to Amcom management and institutional investors at 17¢ a share. Amcom will buy back and cancel the remaining 99.2 million shares at 19.7¢, subject to shareholder approval. The transactions value the Futuris stake at \$48.5 million.

Mr Grist, the Amcom chairman, confirmed Mr Sarich, the Melissa Karlson-led Wyllie Group and Harvey Norman-linked Flexigroup director Andrew Abercrombie had taken up stakes in the group. Mr

Sarich's investment would see the property magnate emerge as the telco's biggest shareholder with a 13 per cent stake.

The Wyllie Group's holding will increase to 12 per cent, while Mr Grist will become the fourth-biggest shareholder after increasing his stake to more than 5 per cent.

It will leave Amcom's board with enough control to drive through decisions on future acquisitions and investments. It also effectively shields the telco from predators such as Optus, with whom Amcom launched an ultimately unsuccessful bid for the nation's high-speed regional broadband contract, and Telecom NZ, whose Australian subsidiary, AAPT, holds an 18.3 per cent stake in iiNet.

"Optus has always shown that when their market share's under threat they'll move to make acquisitions but they don't move very fast, so when Futuris flagged Amcom was a non-core asset ... we moved relatively quickly to make sure we could direct the future of the

business," Mr Grist said.

Analysts suggested Amcom would be unlikely to make any major acquisitions this year, but would likely creep up iiNet's share register.

Mr Grist, who is also a director of iiNet, denied plans for a tie-up between the two companies in the near future but did not rule it out.

Amcom holds a 23 per cent stake in its Perth-based colleague.

"iiNet's a really good WA-based company, it's demonstrated it can grow through acquisition ... Amcom will continue to support its shareholding and we'd be happy to increase our shareholding over time, but we don't have any plans for anything radical," he said.

Futuris first flagged a sale of non-core assets such as Amcom and its 42.8 per cent stake in Australian Agricultural Company in June, after a profit downgrade led to the resignation of chief Les Wozniczka.

Futuris can scrap the buyback if a superior takeover bid emerges.

Mr Wozniczka will resign from Amcom's board.



Ralph Sarich



Melissa Karlson