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Nextgen Networks opts for a Silk route

 By [Lilia Guan](#)

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After six months of negotiations, Nextgen Networks has absorbed all of Silk Telecom's issued share capital and assets.

Phil Sykes, managing director of Nextgen Networks, a subsidiary of Leighton Holdings Limited, said the acquisition will allow Nextgen to immediately start leveraging Silk's extensive fibre footprint to enhance and extend the metro and regional reach of one of Australia's largest national fibre networks.

Silk Telecom originates from three Australian electricity distribution businesses owned by Cheung Kong Infrastructure and Hongkong Electric Holdings - ETSA Utilities, Powercor Australia and Citipower. Silk Telecom acquired commercial telecommunications assets from ETSA Utilities and Powercor Australia.

"There is a strong strategic fit between the operations of Nextgen and Silk. Both organisations have been experiencing growth in the delivery of high speed data networking services for medium-to-large corporate, government and carrier customers," he said.

"This acquisition is one that will prove to be mutually beneficial to the existing customers of both organisations through the extended network reach and range of services."

According to Sykes, Silk's significant metro and regional access networks in Western Australia, South Australia and Victoria were a natural complement to Nextgen's established inter-capital telecommunications business.

"By leveraging the combined value of these complementary assets, we have created a bigger telecommunications company."

Although Sykes was unable to discuss details about the contract, he said the acquisition of Silk will bolster Nextgen's revenues significantly.

"Although Nextgen has more turnover than Silk, its scale will add to Nextgen's financial outcomes," he said.

Sykes couldn't confirm the outcome for Silk's 70 employees. However, he said Nextgen was continually looking at growing its business and employing more staff to support the growth of the organisation.

"I can't say either there will or won't be staff let go at Silk. But it has a good number of staff and if you look at Nextgen - we started with only a handful of employees four years ago - now we also have 70 employees. Our focus is on the growth of the organisation," he said.

For now the priority of Nextgen was to bring the two companies together for the benefit of the end customer and for shareholders, claimed Sykes.

"NextGen is focused on making [acquisition] occur efficiently and further expanding our business. We want to make sure the acquisition is implemented smoothly and become more than the sum of the parts."



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