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## Nextgen's Silk Telecom buy connects all of Australia

 By *Lilla Guan*

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**Nextgen's acquisition of Silk Telecom not only serves both companies, but every Australian capital city – including Darwin – will now be connected.**

David Kennedy, Ovum research director, said the acquisition of Silk Telecom by Nextgen is a good move for both companies.

"Silk's regional networks in Victoria and South Australia will also strengthen NextGen's offer outside the metropolitan areas," he said. "This acquisition reflects a trend towards consolidation in the broadband industry. Fibre networks need economies of scale to improve profitability, and this acquisition will allow NextGen to consolidate traffic and lift overall returns."

Phil Sykes, managing director of Nextgen Networks, a subsidiary of Leighton Holdings Limited, told *CRN* that 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](#).



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