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## Nextgen swallows Silk to make 'mini NBN'

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02 June 2008 04:45 PM

Tags: silk, nextgen, network, sykes, fibre, corporate, telecommunications, perth

**Nextgen Networks has snapped up fibre-network operator Silk Telecom in a bid to increase its network reach and boost growth.**

The company, a subsidiary of construction company Leighton Holdings, bought up 100 per cent of Silk's shares and all its assets, and now wants to use the acquisition's network to expand its footprint — currently over 8,500km of cable, with Silk expected to add around 1,200km to the tally.

"When people talk about the national broadband network, we've got a mini version of that in place," Nextgen MD Phil Sykes said.

Increasing its size is a major motive for the merger, according to Sykes: "In the current telecommunications climate, you've got to get big or get bought."

According to Sykes, the two companies fit snugly together because they both operate high-speed data networking services for medium to large corporate, government and carrier customers.

Geographically, Silk's network in the urban areas of Perth, Adelaide and Melbourne complement Nextgen's existing network, which links the capitals in a chain from Brisbane to Perth, he continued.

Sykes said there will be little crossover. "There might be a couple of buildings we both go to. We'll find ways of selling that as high value redundancy," he told ZDNet.com.au.

Sykes said some job cuts could not be ruled out, but said that both companies are already running lean. "It's not one of those where you go in there and strip all the assets out," he added.



Nextgen Networks' network reach before Silk

Credit: Nextgen Networks