

HCI tunes into Oz radio

SYDNEY, AUSTRALIA: It appears media assets could be the key to a thrust by empowerment heavyweight Hosken Consolidated Investments (HCI) into Australia.



Last week Oceania Capital Partners, the Australian Stock Exchange-listed company that last year came under the control of HCI, acquired Sunshine Coast Broadcasters (SCB)

SCB operates two FM stations - Sea FM and Mix FM. The deal was struck through Eon Broadcasting, which is 90%-controlled by Oceania (with the remaining 10% held by The Wheatley Organisation).

SCB is the first acquisition by Oceania since HCI stepped in as a major shareholder. Oceania - which holds mainly cash and an investment in a credit management business, Baycorp, as its main assets - is largely viewed as the vehicle that will drive HCI's aspirations in Australia.

HCI is no stranger to the media sector. One of the company's founding investments in the late 1990s was free-to-air television station e.tv.

The television station, under the guidance of HCI chairman Marcel Golding, has been a huge profit spinner for HCI in the past 10 years.

Stock exchange filings from Australia put the value of SCB at A\$17,8m (about R170m). The radio assets should add bulk to Oceania's bottom line, which was just A\$1,85m (R18m) for the six months to end-December 2012.

The two radio stations serve the Sunshine Coast in Queensland, one of the fastest-growing population areas in Australia.

No financial performance details were provided for SCB. However, Oceania MD Robert Moran says Sea FM and Mix FM are longstanding market leaders in the region, providing "excellent initial investment into the regional radio industry in Australia".

Whether the SCB deal is just the first in a series of transactions to broaden the portfolio at Oceania remains to be seen. The company raised A\$14,8m (R140m) in fresh capital in a shares-for-cash issue during December last year, an exercise that was underwritten by HCI.

At the end of December, Oceania had A\$36m (R342m) in available cash.

In December, Oceania said it would explore investment opportunities in operating businesses "with no predetermined emphasis on any particular sector or geographical focus".

Source: Financial Mail, via I-Net Bridge

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