



ANALYSIS BUSINESS COMPANIES MEDIA & MARKETING

Sol Trujillo helped pull trigger on global ad guru Martin Sorrell

By Colin Kruger
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The ramifications of **Martin Sorrell's** forced departure from WPP could be felt on our shores if it leads to a splintering of the global advertising and marketing giant he built over more than three decades.

And there are hints that an Aussie connection may have played a crucial role in triggering the investigation into allegations of financial impropriety and personal misconduct, which triggered Sorrell's departure.

"The allegation did not involve amounts that are material," the company has said, which led many to question what the WPP board were thinking when they announced the probe.

More details may emerge this week when the board meets to discuss the future of the business with many UK analysts hinting at a break-up of the group.

"The question to [chairman Chairman Roberto] Quarta is how do we create shareholder value from this position. I think most analysts and investors when adding up the sum of the parts of WPP would answer that it is to break it up," Cenko Securities analyst **Alex DeGroote**, told *The Guardian*.

Sol Trujillo. Illustration: John Shakespeare

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So what will the future hold for the ASX-listed WPP AUNZ Ltd which was formed by the merger of WPP's local operations with **John Singleton**'s old ad group STW Communications?

WPP owns 61 per cent of WPP AUNZ.

"WPP AUNZ continues to benefit from a very strong partnership with WPP plc and excellent relationships with a wide range of WPP plc senior executives and representatives on WPP AUNZ's board," the company said in a statement to the ASX on Monday.

A report in UK trade mag, *Campaign*, hinted that one particular WPP board member set himself apart from the herd with active question of the company's operations.

"Several people who have attended WPP board meetings in the past identified **Sol Trujillo**, a former US telecoms boss, as a non-executive director who sometimes asked the most challenging questions," said the report.

That sounds like our Sol alright.

Mind you, Sol was one of the board members that stood shoulder to shoulder with Sorrell when WPP's investor peasants were revolting over his £70 million payout in 2015.

There obviously aren't any hard feelings. The board said his departure will be treated as a retirement, which means Sorrell could still earn another £20 million in payments over the next five years.

Financial freedom

The Freedom Food Group's move into the A2 milk protein market has enthused its controlling shareholders - the billionaire Perich family.

A change of director's interest notice from **Ron Perich** on Monday informed us that Arrovest Pty Ltd - the investment vehicle he controls along with his brothers Anthony and Michael - acquired \$6 million worth of shares last week at \$4.80 a share.

A2 Milk ads displayed on the iconic SOGO building in central Hong Kong.



A2 Milk ads displayed on the iconic SOGO building in central Hong Kong.
Photo: Supplied

It lifts their combined stake to more than 53.7 per cent and comes just weeks after Freedom launched its own A2 Milk range.

It adds to the competition for the ASX-listed A2 Milk Company, although Freedom is sticking to the ultra high temperature (UHT) treated packs rather than fresh A2 milk produce.

Ironically it was Freedom that paved the way for A2 Milk's success more than a decade ago with a partnership that almost led to a takeover of the then fledgling A2 milk producer.

The Perich brothers must rue the day Freedom gave up its bid and sold its 17 per cent stake for no more than 85c a share.

A2 Milk shares topped \$13 last month, which means Freedom left more than \$1.5 billion on the table.

And how has the Perich's investment in Freedom fared despite its spoiled A2 Milk Company bid?

Well, it hasn't been too shabby but it is like comparing a Formula 1 racer to CBD's trusty Nissan Pulsar.

Copping out

It is hard to describe just how woeful things have been at Cudoco, the colourful copper miner founded by the even more colourful **Wayne McRae**.

CBD has lost count of the number of disruptions at the company's troublesome mine in Cloncurry, and now it looks like its bean counters are not faring any better.

The stock hasn't traded for more than a month and that will not be changing anytime soon. The company suspended trading while it fixed up its non-compliance with Ore Reserve listing rules. Before this was fixed, the company fell behind with the book-keeping for its half year results which were delayed until Monday April 16.

On Monday, Cudoco chairman **Peter Hutchison** and his board reported that they are "continuing to work to finalise its financial statements" and the company expects they will now be lodged on or before May 15.

Let's hope the company keeps its latest deadline.

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Colin Kruger is a business reporter. He joined the Sydney Morning Herald in 1999 as its technology editor. Other roles have included the Herald's deputy business editor and online business editor.



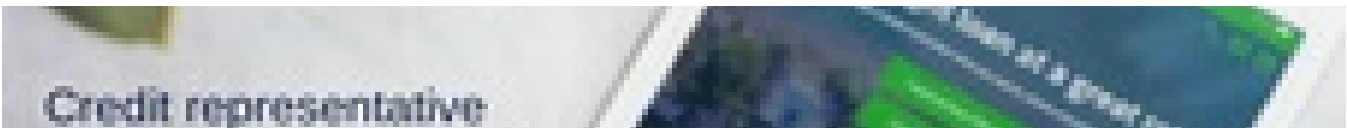
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