

# The Sydney Morning Herald

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BY Colin Kruger  
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M&A, Rupert Murdoch style

CBD was pleased to see that the proposed merger between 21st Century Fox and Time Warner will not loosen Rupert Murdoch's grip on the family firm.

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The mostly scrip-funded bid would see the Murdochs' interest diluted to a single digit percentage, but the scrip issued to his new investors from Time Warner will thankfully be non-voting stock. We wouldn't want those pesky Time Warner types wielding any influence now would we?

The Murdochs will remain firmly in charge with 40 per cent of the shares that are actually allowed to vote on company proceedings. And in a belt-and-braces approach, there is always the poison pill provisions to see off any clever marauder.

The Lachlan saga

Distance can add a little perspective to proceedings, just ask the borgs at Bloomberg. In its report of the latest corporate ambitions of the Murdoch family, Bloomberg reports: "Lachlan, who resigned from News Corp in 2005 after disagreeing with his father, rejoined the company in March. He now has a say on strategy and a chance to prove his mettle after struggling to make his way in Australia, where he ran a money-losing TV broadcaster and had to bring in a News Corp executive to help turn it around."

Hard Cross to bear

Shall we call it the curse of the almost-Seven-CEO. First there was James Warburton's disastrous year at broadcast rival Ten. Now we have Peter Lewis lasting just one month as chief bean counter at Southern Cross Media Group.

"On behalf of the board and management, I wish Peter well in his future endeavours," says Southern Cross chief Rhys Holleran who has experienced a bad turnover of talent recently on a number of fronts, including obnoxious presenters.

Southern Cross could always offer danger money to former Tatt's bean counter - and temporary Bombers commander - Ray Gunston, to reprise his cameo at Southern Cross as CFO.

No word on the next move for Lewis, but he could always spruik his talents to Tony Abbott to see if he has any more work. Lewis helped author the hilarious efficiency review of the ABC and SBS.

Bookie's a winner

It may not be the \$100 million pay day that Tom Waterhouse was gunning for, but the \$40 million closing figure on the sale of his eponymous betting shop to William Hill was not a bad one for all concerned, including daddy Robbie Waterhouse who was an investor in his son's bookie operation. He once referred to his son's strategy as "growing broke".

"The business is expanding at such a rate that it requires every dollar that Tom has," he said.

Sino fights on

Sino Australia **Oil** and Gas Ltd has gone to the highest court in its land to thwart ASIC's court-ordered freeze on certain Sino accounts - its shareholders.

The corporate pup got a court-ordered freeze on Sino accounts while it investigates concerns the **company** might transfer money raised in its recent IPO to overseas accounts "for purposes that were not disclosed, or not properly disclosed" in the prospectus.

Sino has been fighting the freeze through the courts this year and decided on a new tack following the court judgment in May from Justice Davies.

Sino quoted her saying that in the absence of any expressed view of the shareholders, she made a decision to protect shareholders.

Sino decided to canvass its shareholders with two questions. "Do you want the **company** to have full access to the money in its Australian bank accounts before ASIC completes its investigation?" And if the answer was yes. "Do investors want the **company** to use the money to fund its business **operations** in **China**?"

Sino reports that 67 shareholders representing more than 97 per cent of total issued shares said yes.

According to Sino: "Shareholders have in effect overwhelmingly requested ASIC to allow the **company** to have full access to the IPO funds in its Australian bank accounts immediately ..."

Got a tip? [ckruger@fairfaxmedia.com.au](mailto:ckruger@fairfaxmedia.com.au)

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