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\$100m boost for ailing RTV

By CHRISTOPHER WOOD

Hard-up Rediffusion Television Ltd will receive a much needed injection of capital under a joint venture agreement announced yesterday.

Under the terms of the deal, as previously disclosed in the SCM Post, the Chiu family of the Far East business empire will buy a 50 per cent stake in the television station at a cost of some \$100 million.

The other 50 per cent will be held by the Australian consortium, currently holding a controlling 62 per cent stake in RTV which it bought from Rediffusion Television Ltd UK for some \$120 million over a year ago.

The consortium members are David Syme and Co, publishers of the Melbourne Age newspaper, Henry Jones (IXL) Ltd, which has radio and television interests in Australia, and CRA Ltd, a mining and resources firm.

Mr Deacon Chiu will be appointed chairman of the new company, while his son, Dennis, will become deputy managing director.

The current managing director, Mr Bernard Hooley, who was appointed by the Australian consortium last year, stays in his present position.

The joint venture scheme has now been submitted to the Government and it is hoped it will go before the Governor-in-Council in the next two weeks for approval under the Television Ordinance.

Confirming the agreement "in principle" to set up a joint venture, Mr Deacon Chiu and

Mr Hooley said at a press conference that an offer was made yesterday to RTV's minority shareholders.

Rediffusion Television Ltd UK are the major minority holder with a stake of just over 20 per cent.

Both men were confident that the terms of the undisclosed offer would be acceptable to the minority holders, clearing the way for a straight 50/50 split under the terms of the proposed joint venture.

Mr Chiu commented that he thought the minority holders would be "delighted" at the offer as it gave them a way out of the loss-making television station — RTV was reported in October to be losing some \$2 million a month.

Since then following the arrival of Mr Hooley, 15 per cent of the staff have been laid off without any cuts in programming hours.

Yet it is still estimated that competitor Television Broadcasts Ltd takes about 85 per cent of total advertising revenue with RTV.

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