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In Brief

iiNet gets an ihug

REGIONAL Internet service provider iiNet has entered into an agreement to purchase the business of trans-Tasman ISP ihug in Australia and New Zealand.

The acquisition is for \$30.1 million in cash and 23.7 million iiNet shares – worth about \$66 million based on the company's share price when *WA Business News* went to press.

The cash component of the consideration will be funded by a fully underwritten placement of 14.9 million shares at \$2.05 a share to raise \$30.6 million.

The transaction is subject to the approval of iiNet shareholders, the Overseas Investment Commission and other conditions that will be discussed at the company's general meeting, scheduled for October 17.

iiNet managing director Michael Malone described the acquisition more as a merger than a takeover.

"The two businesses could not be a better fit," he said.