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Gold price	395.30	▲	0.45
All Ordinaries	3473.1	▲	18.4
\$A/US	70.87	▼	0.73
\$A/Yen	78.35	▼	0.10
\$A/Stg	38.42	▼	0.51

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Skywest predator seeks Ryan's scalp

SEAN SMITH

Singaporean company CaptiveVision Capital has dramatically escalated its takeover battle with Skywest by moving to dump the regional airline's chairman, Pat Ryan.

Skywest said yesterday CVC had requisitioned a shareholders meeting to vote on the removal of Mr Ryan, the company's chairman since 2002.

Other proposed resolutions seek to restrict directors' aggregate pay and block the issue of new stock by Skywest - presumably an attempt by CVC to derail its planned float.

The airline is taking legal advice on the requisition notice but, subject to a challenge, is obliged to hold the meeting by late July.

However, given the company wants to launch its float prospectus by the end of June, it is likely to seek to convene the meeting as soon as it can to avoid further uncertainty.

Skywest said the board had unanimously united behind Mr Ryan, a former chief executive of the now-defunct Challenge Bank.

Mr Ryan said he was "just rolling with the punches", but questioned the motives behind CVC's bid to unseat him.

"It's not something I had anticipated," he said. "I'm somewhat bemused by it, unless it's an attempt to destabilise us.

The requisition contains no explanation of why they're putting that resolution up."

Skywest, he added, would "not be bullied by these sort of tactics".

Contacted by email, CVC executive director Jeff Chatfield declined to comment.

CVC's launch of a second front coincided with the despatch of its amended takeover documents following Skywest's referral of the offer to the Takeovers Panel last month.

The Singaporean company, a 19.9 per cent shareholder, is offering 20¢ a share for



Skywest's ordinary capital, valuing the stock at \$11.2 million.

The Takeovers Panel gave the bid the all-clear, subject to several undertakings by CVC, including the finalisation of its bid funding.

CVC, a self-described financing and investment company, is controlled by Mr Chatfield's unlisted Advent Television, also based in Singapore. The Cayman Islands-based Crescent Venture Partners and Hong Kong's Well Source International Developments are also shareholders.

In original takeover documents filed with regulators in April, CVC committed itself to maintaining Skywest's existing management, led by chief executive Scott Henderson, and continuing with its operations.

However, it was critical of Skywest's float plans and said its offer gave the airline's shareholders an opportunity to quit their investment "in a clear and quick manner".

Mr Ryan has described the bid as "opportunistic" but the Skywest board has advised shareholders to take no action until further notice.

The company will make a formal recommendation after examining its independent expert's report from PricewaterhouseCoopers, which is due within days.

Skywest says it is confident the corporate manoeuvrings will not derail the float, which is being lead managed by ABN-Amro and Patersons Securities.

"I've discussed this matter with our brokers and they don't see at the moment any reason why it can't proceed," Mr Ryan said.

"If we can get the meeting out of the way as expeditiously as possible, that will help clear the air.

"Everybody has assured me they are still on track."

However, the defence is already biting into Skywest's profits. While the airline was "performing well and to the directors' expectations", the costs associated with the takeover bid were "not insignificant" and would affect the forecast of a \$2.4 million profit for 2003-04.