



FUN  
TECHNOLOGIES

In the Media



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# Malone buys 51% of AIM-listed Fun

**By Gary Parkinson**

The media mogul John Malone took control of the online “skill-gaming” Fun Technologies yesterday. His Liberty Media, which owns the QVC channel and controls 18 per cent of Rupert Murdoch’s News Corp, paid \$194m (£113m) for 51 per cent of Fun, which is based in Toronto but has a listing on London’s Alternative Investment Market.

The deal values the 18 per cent stake of Fun’s Canadian chief executive Lorne Abony at a little less than \$70m. Mr

Abony said he has no plans to sell his shares. “Skill-gaming is booming over the internet, but it makes sense to build this business through participation TV,” Mr Abony said. “Liberty represents the best access to the largest network of TV and content subscribers worldwide. We’re jazzed up about it.”

Liberty wants Fun to bolster its position in the booming online gaming industry. Fun offers punters who pit their wits against each other over the internet cash prizes in more than 50 skill games, including solitaire, chess and quizzes. In

contrast to the questionable legal status of online poker and casinos in the massive US market, skill gaming is legal there.

Mr Malone’s media group is to buy 10.5 million new Fun shares at 267.5p, plus a further 23.2 million from existing shareholders at 360p each. That is about a 40 per cent premium to Friday’s closing price.

News of the deal spurred shares in Fun, which runs gaming sites for the likes of Microsoft, Disney and AOL, up 33p to a new high of 312.5p. They floated at 60p each in December 2003.

Fun, which is also quoted on the Toronto Stock Exchange, has 140 workers, 55 of whom run the “skill division” in Los Angeles, with 70 spread between Las Vegas, Minnesota, Toronto and London.

Mr Malone, 64, is a low-profile deal maker. His network of companies owns cable television networks around the world.

Last month Rupert Murdoch controversially extended News Corp’s “poison pill” provision to prevent his long-time rival Mr Malone – a billionaire described as Darth Vader by the former

US Vice-President Al Gore – from further increasing his voting rights in the media conglomerate. That prompted some of News Corp’s big shareholders to file a lawsuit against the company in a court in Delaware.

Soon after completing his PhD, Mr Malone entered the business world and built TCI into the biggest cable company in America. He sold it to AT&T for \$48bn, but retained TCI’s content and investing arm – Liberty Media. Mr Malone dislikes flying and rarely travels from his 42,000-acre ranch near Denver.