

France's Vivendi favours Numericable in telecoms bidding war

PARIS, FRANCE: French consortium Vivendi said it was entering exclusive negotiations with Numericable to sell the cable operator its telecommunications unit SFR, shrugging aside France's industrial renewal minister's bid to scupper the cable operator's bid.



Arnaud Montebourg. Image: Wikipedia France

The announcement came just hours after France's industrial renewal minister took Numericable to task over its multi-billion-euro bid for SFR, challenging the company and its billionaire chairman over their holdings in tax havens.

Numericable through its parent company Altice has offered €10.9bn and a 32% stake in the new merged company for Vivendi's SFR, currently France's second-largest mobile network.

But it emerged that the original deal has been revised, as Vivendi it has "decided to enter into exclusive negotiations with Altice for a period of three weeks" on the basis of an offer which includes a payment of €11.75bn and a 32% stake in the new entity.

Numericable was facing competition from construction and telecommunications group Bouygues which has offered €11.3bn and 43% of the new company, valuing SFR at €15.5bn.

Hours before Vivendi announced its choice, industrial renewal minister Arnaud Montebourg said: "The managers of Vivendi have decided to sell SFR to Numericable at all costs."

He said the choice poses a certain number of problems and questions, chief among which is Altice's holdings in Luxembourg and the tax status of its chairman Patrick Drahi.

"There is a tax problem because Numericable has a holding in Luxembourg, the company is listed on the Amsterdam stock

market, his personal holding is in Guernsey in a tax paradise of Her Majesty the Queen of England, and he himself is a Swiss

Drahi will have to repatriate all of his possessions and assets to France," the minister told Europe 1 radio.

But Altice said Numericable is listed in France where it is also headquartered. Any new SFR-Numericable entity would likewise be based here.

The French government, which is struggling to bring down its public deficit, has been bluntly critical of citizens who keep their assets in tax havens like Switzerland, Luxembourg or Guernsey.

Source: AFP via I-Net Bridge

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