

Bidding war for Portugal Telecom heats up

LISBON, PORTUGAL Two investment funds have joined in a bidding war for Portugal Telecom, with a joint offer of €7.07bn (\$8.8bn) to buy most of its assets from Brazilian operator Oi...



Lisbon, Portugal... A separate bid to buy the holding company of Portugal Telecom which in turn owns about a quarter of Oi was declined. (Image: Wikimedia Commons)

The offer by Apax Partners and Bain Capital, which was announced on Wednesday by Oi, came just over a week after French group Altice launched a bid of €7.03bn for the same assets.

Like Altice's bid, the investment funds' offer excludes Portugal Telecom's business in Africa and almost €900m in debt owed by Rioforte - a company of the troubled Espirito Santo group.

A Luxembourg court had last month decided that Rioforte, the main holding company of Santo's non-financial assets, would be liquidated.

Oi and Portugal Telecom had only announced their merger just over a year ago. But the marriage has soured over Portugal Telecom's loan in April to Rioforte.

Meanwhile, Isabel dos Santos - an Angola businesswoman and daughter of the country's president - launched a separate bid to buy the holding company of Portugal Telecom which in turn owns about a quarter of Oi.

Her bid of €1.35 per share values Portugal Telecom at €1.2bn, and was dismissed by Brazil's Oi as "unacceptable" and "ill-timed".

Portugal Telecom's net profit surged 46.6% last year to €331m after it hived off its participation in a company in Macau,

China.

Source: AFP, via I-Net Bridge

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