

Telecom Italia eyes sell-offs to boost Italy, Brazil broadband

ROME, ITALY: Telecom Italia has agreed to sell its stake in Telecom Argentina as well as telephone masts in Italy and Brazil, the troubled Italian giant said after a board meeting held on Thursday.



The Rome skyline. (Image: Briséis, viw Wikimedia Commons)

It said the sell-offs would help raise €4bn (US\$5.4bn) over the 2014-2016 period as the company struggles to reduce its staggering €28.8bn mountain of debt.

The plan "envisages some extraordinary transactions intended to strengthen the group," Telecom Italia's chief executive Marco Patuano said in a statement. The measures include a €1.3bn bond issue.

Patuano said this would help the company expand an ultra-fast 4G mobile network and increase fibre-optic broadband provision in Italy and Brazil.

The board meeting was the first since Chairman Franco Bernabe stepped down last month following uproar in Italy over a campaign by Spain's Telefonica to boost its stake in the company.

Telefonica now holds a 66% stake in a holding company which in turn owns 22.4% of Telecom Italia, but has an option to own the holding company outright next year and become the largest shareholder in Telecom Italia.

The Italian government is looking into ways of modifying the current law on takeovers to prevent Telefonica from increasing its stake, saying this would mean more security and more jobs for Italy.

Source: AFP, via i-Net Bridge

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