

# Telefonica wants to buy Brazil's GVT

PARIS, FRANCE: Spanish group Telefonica has offered Vivendi €6.7bn to buy its Brazilian telecommunications subsidiary GVT.



Telefonica has offered Vivendi €6.7bn for its Brazilian subsidiary GVT. Image: Flickr

GVT is Vivendi's last remaining asset in the telecommunications sector. The offer is equivalent to 20.1bn reais or \$8.9bn.

Vivendi said that although GVT was not formally for sale, it would consider the offer. The bid was based on an offer of 60% in cash and 40% in shares in Vivo which is Telefonica's brand name in Brazil.

"Vivendi would end up with 12% of Vivo which, with the transfer of GVT and would become the largest telecommunications operator in the Latin America's biggest market," Telefonica said in a separate statement. Vivendi, if it accepted the offer, would also have the option of buying 8.1% of Telecom Italia.

Telefonica said that its offer was valid until 3 September.

The cash part of the bid would be financed by a capital increase by Telefonica Brazil. Telefonica would subscribe to this fully in respect of its 74% shareholding in the company.

Vivendi bought GVT in 2009 for €2.8bn.

Source: AFP via I-Net Bridge

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