

MTN terminates buyout talks with Telkom

Mobile group Telkom said on Wednesday, 19 October, bigger rival MTN Group had terminated talks to buy the former in what would have created the country's biggest telecoms company.



Telkom said it could not offer MTN assurances to enter into exclusive talks sought by the telecoms service provider.

In July, MTN offered to buy its smaller rival in a stock or cash-and-shares deal.

But a month later, another telecoms company Rain, partly owned by South African billionaire Patrice Motsepe, proposed a merger with Telkom. It withdrew the offer later only to come back last month with a revised offer asking Telkom to buy it out.

"MTN terminated discussions... as Telkom was not in a position to provide MTN with assurances around exclusivity," Telkom said in a statement.

MTN did not immediately respond to a request for comment.

The talks between Telkom and MTN were at an early stage and had not progressed to due diligence, Telkom said, adding that it had not received any binding offer from MTN.

ABOUT THE AUTHOR

Reporting by Pronit Mukherjee in Johannesburg and Radhika Anilkumar in Bengaluru; editing by Tomasz Janowski.

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