

Bouygues boosts mobile bid for SFR, in French turf war

PARIS, FRANCE: French telecommunications group Bouygues stepped up its bid to buy mobile phone operator SFR from Vivendi, launching a new phase in a huge fight over positions in France.



Mobile company SFR is at the centre of a battle for control of its shares that are being sold by Vivendi.
Image: [Aures](#)

Bouygues, which also has big interests in television and construction, raised its cash offer by €1.85bn euros to €15.0bn. It also offered 10% of the entity which would emerge, saying this was worth about €1.0bn.

The fate of SFR, which would have a big impact on the structure of mobile phone services in France against a background of consolidation in European markets, is also sensitive politically.

Bouygues said that its new terms were valid until 24 April this year, and that overall, its offer for SFR was worth €16.0bn before the economies of scale.

It was the sudden launch of low-price services by much smaller operator Free which set in motion upheaval and a price war in the French mobile telecommunications market, until then dominated by three operators.

A takeover of SFR would reduce the number of dominant operators back to three, raising concerns among consumer groups that the benefits of new competition for customers would be eroded.

But some experts in the industry warn that the price war between the operators undermined their ability to invest in ever-faster network infrastructure.

Bouygues said that its project would involve industrial and institutional partners which would invest €2.85bn.

These partners included the Singapore sovereign wealth fund GIC, the Ontario Teachers' Pension Plan Board, the French

luxury products family Pinault, and Reuben Brothers Ltd.

Other investors would be the French insurance company Axa, the quasi-state savings and investment body Caisse des Depots et Consignations, GIMD controlled by the Dassault industrial family, and advertising display group JC Decaux Holding.

Vivendi, a major media group which owns SFR, entered into exclusive takeover talks with Numericable three weeks ago.

Vivendi is now due to state what it intends to do, either sell SFR to Numericable, enter exclusive talks with Bouygues on the basis of the new offer, or float SFR on the stock market as it had at first considered doing.

Source: AFP via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>