

Briefs: Sonea bid for Portugal Telecom rejected

February 8 2006

Portugal Telecom Wednesday formally rejected what it characterized as a lowball and hostile takeover bid by conglomerate Sonae.

The head of the nation's primary fixed-line telco told a news conference that the bid also lacked a strategic vision that would make the \$12.6 billion offer worthwhile.

There was no immediate response from Sonae, which Tuesday night had publicly vowed it would allow the Portuguese government to keep its so-called golden share of the former state-run company -- a provision that gives Lisbon the ability to veto decisions by the chief executive officer.

Taking over Portugal Telecom would give Sonae, which is run by financier Belmiro de Azevado, a solid position in Portugal's landline and mobile telecom sector.

Analysts have predicted that one of the other major European telcos could step in and make a bid for Portugal Telecom after Sonae was officially rebuffed.

Copyright 2006 by United Press International

Citation: Briefs: Sonea bid for Portugal Telecom rejected (2006, February 8) retrieved 26 April 2024 from <https://phys.org/news/2006-02-sonea-portugal-telecom.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.