

AT&T in informal talks on buying stake in Reliance

June 7 2010

US telecom giant AT&T is in informal discussions with Reliance Communications Ltd. about taking a significant minority stake in the Indian cellphone company, The Wall Street Journal reported Sunday.

The newspaper, citing "people familiar with the matter," said the talks were at a "very early" stage and cautioned that no deal is imminent.

It said advisers and officials at the US and Indian companies have been in touch in the past few weeks to explore the idea.

Reliance's board has approved the sale of up to a 26 percent equity stake in the company, India's second-largest wireless carrier, to raise cash for debt reduction and network upgrades, the Journal said.

The newspaper said Reliance has also been in talks with Abu Dhabi-based Etisalat Emirates Telecommunications Corp. and other foreign telecom firms in addition to AT&T, the second-largest US cellphone company.

The Journal said AT&T is looking for international expansion as the US market saturates and sees India as an attractive target for wireless growth.

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Citation: AT&T in informal talks on buying stake in Reliance (2010, June 7) retrieved 26 April

2024 from <https://phys.org/news/2010-06-att-stake-reliance.html>

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