

Liberty Global to buy No. 3 German cable network

March 21 2011

(AP) -- Colorado-based cable and broadband company Liberty Global Inc. said Monday it has agreed to buy the No. 3 German cable-television provider for 3.16 billion euros (\$4.48 billion).

Liberty said the deal for Kabel BW Erste Beteiligungs GmbH, or KBW, is subject to regulatory approval and would take place through a series of transactions.

Manuel Kohnstamm, Liberty Global's managing director of public policy, said in an interview that the company does not expect trouble with [antitrust regulators](#) in Brussels, because the cable industry in Europe is highly fragmented, with more than 7,000 cable companies.

"We are looking at that process with confidence," he said.

Liberty Global, chaired by John C. Malone, is based in Englewood but has much of its business in Europe, where it sells cable TV, digital phone service and Internet access through subsidiaries including Germany's second-largest [cable company](#), Unitymedia. Kabel Deutschland GmbH is the biggest cable TV company in the country.

The deal furthers Liberty Global's efforts over the last few years to concentrate its business in northwestern Europe, Kohnstamm said.

KBW, controlled by the Swedish private-equity firm EQT Funds IV and V, has a [broadband network](#) with 3.7 million subscribers in Baden-

Wuerttemberg in southwestern Germany, one of the country's most prosperous areas.

Liberty Global confirmed that there were multiple bidders for KBW. Last week, Reuters and The [Wall Street Journal](#) reported that the other bidders were Luxembourg-based private-equity firm CVC Capital Partners, and Hellman & Friedman, a private equity firm with offices in San Francisco, New York and London.

KBW and its holding company will issue 2.25 billion euros (\$3.19 billion) in new debt financing as part of the deal, which is expected to close in the second half of 2011, Liberty said. Goldman Sachs and Freshfields advised Liberty on the deal.

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