

France's Bouygues, Orange delay decision on possible tie-up

March 31 2016



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France's telecom giants Orange and Bouygues said Thursday they had pushed back a decision on whether to go ahead with the sale of Bouygues Telecom to Orange, sending Bouygues shares sharply lower.

The two rivals will now give themselves until the end of the weekend

after noting that talks had not advanced enough to reach a decision by Thursday's initial target date.

Shares in Bouygues closed 3.6 percent lower at 35.85 euros on the Paris stock exchange following the announcement, while Orange shares fell 1.3 percent to 15.39.

Shares in other [telecom companies](#) also dropped.

"At its meeting of 30 March 2016, Bouygues' board of directors noted that the negotiations between Orange and Bouygues had not progressed sufficiently," Bouygues said in a statement.

"Therefore, it will meet before the end of the weekend in order to make a final decision whether to pursue the merger plan or not."

Orange also said its board had acknowledged that the "negotiations were not yet sufficiently advanced" and that it would meet again by April 3 "to examine the result of these discussions".

The valuation of the companies is thought to be one of the sticking points, several sources said.

Bouygues and Orange have been in discussions since January over a plan by Orange to take over Bouygues Telecom, a move that would reduce the number of [mobile operators](#) in France's highly-competitive market to three from four.

Any final decision on a sale would need approval by competition authorities.

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