

AT&T to buy DirecTV for nearly \$50 billion

18 May 2014



US telecommunications giant AT&T clinched a deal Sunday to acquire broadcast satellite service provider DirecTV for nearly \$50 billion

to build and enhance high-speed broadband service to 15 million customer locations, mostly in rural areas.

"This is a unique opportunity that will redefine the video entertainment industry and create a company able to offer new bundles and deliver content to consumers across multiple screens," AT&T chairman and CEO Randall Stephenson said in a statement.

DirecTV president and CEO Mike White said "US consumers will have access to a more competitive bundle, shareholders will benefit from the enhanced value of the combined company and employees will have the advantage of being part of a stronger, more competitive company."

© 2014 AFP

US telecommunications giant AT&T clinched a deal Sunday to acquire broadcast satellite service provider DirecTV for nearly \$50 billion.

Shareholders are set to receive \$95 per share under the terms of the merger, including \$28.50 per share in cash and \$66.50 per share in AT&T stock, the companies announced.

A statement said the transaction, approved unanimously by both boards, is based on a total equity value of \$48.5 billion and a total transaction value of \$67.1 billion, including DirecTV's net debt.

A merger between the two companies would create a potent rival to cable TV giant Comcast, which hopes to expand its coverage with the pending takeover of Time Warner Cable.

DirecTV has about 20 million customers, making it the number-two pay-TV [company](#) in the United States. It also has more than 18 million customers in Latin America.

AT&T said it would use the merger to expand plans

APA citation: AT&T to buy DirecTV for nearly \$50 billion (2014, May 18) retrieved 7 March 2021 from <https://phys.org/news/2014-05-att-directv-billion.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.