

Nasdaq withdraws offer to acquire Oslo stock exchange

27 May 2019, by Pierre-Henry Deshayes



Nasdaq has been battling with Euronext to acquire the Oslo Stock Exchange since the start of the year

US stock market operator Nasdaq said Monday it was withdrawing its offer of nearly 700 million euros (\$784 million) to acquire the Oslo Stock Exchange, clearing the way for its European competitor Euronext.

After months of battling for the control of one of Europe's last independent [stock](#) exchanges, Nasdaq threw in the towel when it became evident it could not secure enough of the equity.

"This decision has been made because under the current circumstances the minimum acceptance condition for completion of the offer is incapable of being satisfied," the company said in a statement.

Nasdaq, which controls all the other Nordic stock exchanges, has been competing with Euronext to acquire the [stock exchange](#) since the start of the year.

The two companies had matched each other in price, both offering 6.8 billion Norwegian kroner (\$781 million, 698 million euro).

Nasdaq had the blessing of the bourse's board and management, but Euronext gained an advantage by securing the support of shareholders representing a majority of the Oslo exchange's equity, whereas Nasdaq only managed to get commitments for about 37 percent of the capital.

To secure the deal Nasdaq counted on the Norway's finance ministry, which needed to clear any purchase of more than 10 percent of the exchange, to create a regulatory roadblock for Euronext.

But a decisive blow was dealt to the US stock operator's chances on May 13 when the Norwegian government declared that both Euronext and Nasdaq were "suitable owners".

Deal completed by June

Euronext, which already manages the stock exchanges of Paris, Brussels, Amsterdam, Lisbon and Dublin, on Monday reiterated its aim to complete the transaction by the end of June.

The company's shareholders unanimously voted to acquire up to 100 percent of the Norwegian exchange's shares on May 16.

"Following the decision of the Norwegian Ministry of Finance and the unanimous vote of Euronext shareholders, the main conditions have been lifted and the transaction should be completed by the end of June 2019," the company stated.

The European operator initiated the takeover late last year by buying up shares put up for sale by minority shareholders and making an offer for the entire enterprise.

Caught off guard by the move, which they had not been informed of in advance, the Oslo Stock Exchange's management started looking for other potential buyers, thus triggering Nasdaq's counter-

offensive.

Minority undecided

In addition to the bourse's management and board, the US operator had managed to win the support of the two main shareholders, DNB Bank and the KLP pension fund, which own 20 and 10 percent of the Oslo Stock Exchange respectively.

Released from their obligations to Nasdaq, the two investors said Monday they had yet to decide their next step.

"Now that Nasdaq has withdrawn its offer, we will sit down with Euronext and the other shareholders that still haven't sold to find a good solution," said DNB spokesman Thomas Midteide.

"We will discuss things internally at KLP and perhaps with other stockholders about what solution we should choose," said Sverre Thornes, CEO at KLP.

Euronext has indicated that should the two minority shareholders wish to remain on the board of the Oslo Stock Exchange's round table, they would be welcome to do so.

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