

OT: No France Telecom reply yet

Contributed by Egypt News
Wednesday, 20 May 2009

Egyptian Orascom Telecom chairman reported on Wednesday France Telecom (FT) has not replied to Orascom Telecom's offer of direct talks to resolve their dispute over Egyptian mobile operator Mobinil

Orascom Telecom and France Telecom have been locked in dispute since 2007 over their stakes in Mobinil. They took their dispute to arbitration but have since disagreed over the ruling.

Asked whether Orascom was in direct talks with FT, chairman Naguib Sawiris said "no, we have offered that and they have not responded. They have not provided (details) to us or to the market or to anybody."

France Telecom submitted an obligatory tender offer for all Mobinil shares on Tuesday, but no details have been released by Egypt's market regulator CMA, which is studying the offer.

Sawiris said the CMA should release the details of the offer or let its shares resume trading on the Egyptian exchange.

Trading in both Orascom Telecom and Mobinil shares has been suspended since Tuesday. The exchange is closed on Fridays and Saturdays.

"We believe this reaction from the CMA is not sustainable and they should let our shares trade or announce the details of the offer," he said.

Orascom Telecom and France Telecom's joint holding company owns a 51 percent stake in Mobinil, while Orascom Telecom also holds a 20 percent direct stake in the firm, which is Egypt's largest mobile operator by subscribers.

Orascom Telecom said on Tuesday it had filed a legal challenge to the April 5 arbitration ruling that it sell its 28.75 percent stake in the holding company to France Telecom for 273.26 Egyptian pounds (\$49) per share. The deal would have allowed Orascom Telecom to raise about \$1.7 billion.

Orascom Telecom and the CMA had said that ruling obliged France Telecom to bid for all Mobinil shares at an equivalent price, something France Telecom has disputed.

The CMA rejected a previous France Telecom offer for all Mobinil shares because the offer was below the court-ordered price.

In response to Orascom's appeal, a France Telecom spokeswoman said "the arbitration ruling is fully binding, as was recently confirmed by the tribunal in Geneva, where the arbitration court which dealt with the litigation is based."

Sawiris disputed this, saying: "We consider that the arbitration ruling came with a 30-day mandate of execution which was not respected by France Telecom. That is why we don't believe it (the arbitration) is obligating us right now."

Sawiris also said Orascom's hopes of acquiring a stake in Morocco's Meditel were "dimmer" due to higher bids.

"(Two other bids) were quite high compared to our offer and therefore our hopes of executing that transaction are dimmer now," he said, adding that the firm was not willing to increase its offer.

The UAE's Etisalat told Reuters last week it would bid for a stake in Meditel, Morocco's second-largest telecoms company.

Sources familiar with the matter said earlier this month that first round bids had been submitted for Portugal Telecom's 32 percent stake in Meditel, which the sources valued at around 300 million to 400 million euros.

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