

Mexico's Televisa in US\$1.6bn dollar mobile phone deal

MEXICO CITY: Mexican media giant Televisa has agreed to acquire a 50% stake in the Iusacell mobile phone company for \$1.6 billion, the company said on Thursday, 7 April 2011.

"Televisa will invest 37.5 million dollars in capital and 1.565 billion dollars in Iusacell convertible debt. Once the debt has been converted, Televisa's share in Iusacell will be 50 percent," it said.

Iusacell, the third largest mobile telephone company in Mexico, is owned by Ricardo Salinas Pliego, owner of Azteca TV, the second largest broadcast television network in Mexico. Televisa, considered the world's largest producer of Spanish language programming, has been looking to break into the mobile telephone market in recent years.

In 2010, it tried to buy 30 percent of Nextel, owned by US-based NII Holdings, for 1.4 billion dollars, but the negotiations failed.

The deal announced Thursday means that the country's two main television networks are joining forces to challenge market leader Telcel, owned by Carlos Slim, the world's richest man.

Source: AFP

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