

Deal of the Week: Vodafone to buy Ono for \$10 billion

Announcement Date	<ul style="list-style-type: none"> March 16, 2014 	
Acquirer	<ul style="list-style-type: none"> Vodafone (Primary listing on LSE: VOD.L and secondary listing on NASDAQ: VOD) 	
Acquirer Description	<ul style="list-style-type: none"> World's second largest mobile telecommunications company with 453 million subscribers as of June 2013 Founded in 1984 and headquartered in Newbury, UK 	
Acquirer Financial Statistics in USD	<ul style="list-style-type: none"> Mkt Cap: \$99.1 billion EV: \$138.1 billion LTM Revenue: \$72.2 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$21.0 billion LTM EV / Revenue: 1.9x LTM EV / EBITDA: 6.6x
Target Company	<ul style="list-style-type: none"> Grupo Corporativo Ono SA 	
Target Description	<ul style="list-style-type: none"> Spanish broadband communication and entertainment provider, delivering integrated telephone, television and Internet services to over 6 million users Incorporated in 1998 and owned primarily by a consortium of private equity firms including CCMP Capital, Providence Equity Partners and Thomas H. Lee Partners 	
Price / Consideration	<ul style="list-style-type: none"> Price: \$10 billion (€7.2 billion) 	<ul style="list-style-type: none"> Consideration: Cash
Acquirer Advisor	<ul style="list-style-type: none"> Morgan Stanley 	
Target Advisor	<ul style="list-style-type: none"> Deutsche Bank 	
Rationale	<ul style="list-style-type: none"> "Demand for unified communication products and services has increased significantly over the last few years in Spain, and this transaction will accelerate our ability to offer best-in-class propositions in the Spanish market," stated Vittorio Colao, Chief Executive of Vodafone Acquisition is expected to help Vodafone compete with Telefónica of Spain in offering high-speed broadband to its existing cellphone and fixed-line customers Acquisition gives Vodafone 1.9 million customers in Spain, complementing its mobile service Vodafone stated that the "deal will generate savings of about 2 billion euros" and increase revenue by 1 billion euros 	
Deal Points	<ul style="list-style-type: none"> Vodafone agreed to buy Ono for ~\$10 billion Ono's private equity owners are thought to have preferred the sale of Ono rather than monetizing their investment via a listing on the Madrid stock exchange Vodafone stated that it will finance the acquisition through existing cash and debt 	
Of Note	<ul style="list-style-type: none"> Industry experts anticipate further consolidation in Europe's telecommunications sector as providers hope to further bundle services such as mobile, fixed-line, broadband and TV offerings 	