

VZW Makes \$7 Billion Distribution

Andrew Berg

Verizon Wireless today announced a \$7 billion cash distribution to its owners, Vodafone and Verizon. The payment will be made on June 25 and will see Verizon getting \$3.85 billion, while Vodafone will take \$3.15 billion.

The move comes after [speculation](#) [1] earlier this month that Verizon Wireless might consider withholding the distribution in an effort to pressure Vodafone into selling its 45 percent share of Verizon Wireless.

According to a report from the Wall Street Journal, Verizon CEO Lowell McAdam hinted to JPMorgan analyst Philip Cusick that Verizon might consider not making payouts to Vodafone this year.

McAdam reportedly told Cusick that his company needed its available cash to pay down \$5 billion in debt that comes due by mid-2014, as opposed to paying distributions to Vodafone.

Rumors of a Verizon possibly buying Vodafone out of its share of the Verizon Wireless joint venture have been numerous in recent months. A number of outlets recently reported that Verizon had hired advisers to prepare a \$100 billion bid for Vodafone's 45 percent stake in Verizon Wireless.

Verizon has long admitted to wanting to purchase the rest of Verizon Wireless via a buyout, but the business has proved too valuable for struggling Vodafone to let go. Verizon made a failed attempt to purchase Vodafone's stake in the business back in 2006.

Shares of Verizon remained flat at the opening bell Tuesday at \$52.55, while Vodafone was down over a percent to \$29.30.

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<http://www.wirelessweek.com/news/2013/05/vzw-makes-7-billion-distribution>

Links:

[1] <http://www.wirelessweek.com/news/2013/05/report-mcadam-hints-withholding-vodafone-payments>