Banks Ready to Fund Sprint Bid for T-Mobile

Andrew Berg

With shares of T-Mobile having risen over 25 percent in a little over a month on the successes of its disruptive Un-Carrier strategy, the fourth largest carrier in the United States is looking like less of bargain lately.

That said, Sprint has apparently received proposals from multiple banks willing to finance a bid for T-Mobile, according to a report [1] from the Wall Street Journal. That proposal, the Journal postulates, would be valued at approximately $50 billion and include $31 billion for T-Mobile, as well as the refinancing of T-Mobile's existing debt to the tune of $20 billion.

AT&T's bid for T-Mobile, which was rejected by regulators, was valued at $39 billion.

Securing financing for the deal may the easy part for Sprint. The negotiations would include four companies from three different countries, as well as a regulatory environment here in the United States that likes the status quo four-carrier competition in the market.

The Wall Street Journal, citing people familiar with the matter, said Deutsche Telekom and Softbank have both agreed that a merger of their two smaller companies would a good thing. Negotiations continue on the best way to proceed with that vision.

As of Friday morning, T-Mobile's market cap was hovering right around $26.11 billion, with shares up nearly 3 percent in pre-market trading to $33.50.

Source URL (retrieved on *04/16/2014 - 6:17am*):
http://www.wirelessweek.com/news/2014/01/banks-ready-fund-sprint-bid-t-mobile

Links:
[1] http://online.wsj.com/news/articles/SB10001424052702304603704579325031776937484?mod=WSJ_TechWSJD_moreTopStories