

Swisscom sells debitel

Permira Funds puts €640m on table

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Swisscom is selling its stake in network-independent mobile company debitel to UK private equity company [Permira](#) for €640m in equity value.

debitel provides mobile, fixed network and Internet services to over 10m customers and employs some 3,100 staff in Europe. The [company](#) has retail activities in Germany, France, Denmark, Slovenia and The Netherlands. In Germany, where the it is a reseller for T-Mobile, E-Plus and Vodafone, debitel has nearly 10m subscribers.

Swisscom acquired a 74.2 per cent interest in debitel in summer 1999 from DaimlerChrysler on strategic grounds. However, the expected synergies failed to materialise due to differences in the business models of Swisscom and debitel and the performance of European mobile communications markets following the auction of UMTS licences. As a result, Swisscom managed debitel as a purely financial investment.

Permira Funds, the company that recently offered £940m for UK book seller WH Smith Group PLC, will continue to develop debitel's business in line with its current 'Enhanced Service Provider' strategy. It is unclear, however, if debitel wants to enter the UK market now that is getting a UK investor.

The takeover is still subject to approval from antitrust authorities. The transaction is expected to be completed by the end of June 2004. ®