

Telefónica Buys German KPN Subsidiary

Written by Marco Attard
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Spanish telecommunications giant Telefónica agrees to pay €8.1 billion in cash and stock for German KPN subsidiary E-Plus, amidst rumblings of a European telco industry heading towards consolidation.



E-Plus has 23.9 million customers and 2012 revenues worth €3.4bn. Telefónica plans to combine it with O2 Germany, a move reducing the amount of network players in Germany from 4 to 3 and creating a large rival to T-Mobile Germany and Vodafone.

The acquisition still requires approval from EU antitrust officials-- making it a litmus test for the European willingness to okay deals reducing the number of players in a given country.

Should it get the green light, analysts predict a wave of consolidations will sweep over the continent. For instance, Orange Espana admits it could consider acquisition of low-cost Spanish operator Yoigo from TeliaSonera AB if doors open to in-country consolidation.

2013 already saw one major telecommunications reshuffle-- in January EU regulators approved the €1.3bn sale of Orange Austria to 3 Austria, a deal reducing the number of operators in the country from 4 to 3.

Currently the 28 EU countries host over 100 mobile and fixed operators owned by around 40

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major groups. In comparison, the US has just 4 big mobile operators together with an increasingly consolidated cable industry.

Go [Telefónica Agrees with KPN on Acquisition of E-Plus](#)

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