

THE BHARTI-MTN SAGA

Bharti Airtel and MTN Group extended their exclusive talks aimed at merging their operations to create the world's third largest mobile operator by a month till 31 August. In separate statements issued on Monday, Bharti and MTN said the structure and terms of the potential transaction may be adjusted to reflect further discussions between the parties. Last year, the biggest mobile operators in India and sub-Saharan Africa failed to reach an agreement on a deal. Subsequent talks between MTN and Reliance Communications Ltd (RCom), India's second largest mobile operator, also failed.

2008

5 May: MTN says it is in talks with Bharti Airtel.

12 May: The UAE's Emirates Telecommunications Corp. says it is evaluating MTN as an acquisition.

24 May: Bharti says it has ended talks with MTN after failing to agree on which firm will control a combined entity.

26 May: RCom says it started 45-day exclusive talks with MTN to discuss potential combination of their businesses.

9 July: Reliance and MTN extend talks by two weeks.

18 July: Reliance and MTN call off talks. Mukesh Ambani, the estranged brother of RCom chairman Anil Ambani, had made a claim on the shares of the Indian telecom operator. This and a sharp drop in share prices created obstacles to completing a deal.

2009

25 May: Bharti and MTN announce revival of merger talks to create a telecom giant spanning Africa, Asia and West Asia, a year after their previous attempt foundered over who would control the combined entity.

26 May: Bharti says it does not anticipate funding requirements for the deal would be onerous, but its shares fell sharply for a second day on fears of equity dilution and a stretched balance sheet post the merger.

27 May: South Africa's powerful trade union federation COSATU says it was unlikely to try to block the possible merger as it was fundamentally different from the recent deal involving state telecoms operator Telkom, which handed control of South African mobile provider Vodacom to Britain's Vodafone.

27 May: Four of MTN's top 25 shareholders say they will reject a tie-up with Bharti based on terms unveiled and other big investors are unsure about the deal to create a telecoms giant.

29 May: MTN's No. 2 shareholder, Lebanon's Mikati family, says it supports merger talks with Bharti and would vote in favour of a \$23 billion cash-and-share swap, if a firm offer was made.

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2 June: MTN's biggest shareholder, state pension fund Public Investment Corp. Ltd, says it supports revived merger talks with Bharti in principle, but believes there is "room for improvement" on the price.

24 June: MTN declines to comment on merger talks with Bharti at its annual shareholders meeting, saying it will update the market when progress is made.

29 June: The chairman of Bharti says the group is not working on sweetening the deal for MTN, but does not rule it out.

3 July: State Bank of India offers a loan of up to \$1 billion to Bharti to partly fund the Indian telecom firm's planned stake buy in MTN, two sources say.

6 July: MTN says it is still in discussions with Bharti but gives no further details about the talks.

7 July: India's capital market regulator says MTN and its shareholders can buy 36% in Bharti Airtel via global depository receipts without triggering a mandatory open offer.

14 July: Bharti chairman Sunil Mittal says he will resign from the board of Standard Chartered with effect from 31 July. Standard Chartered is advising Bharti in the merger talks with MTN.

24 July: The companies are expected to extend talks by at least two-three weeks, sources say.

28 July: MTN's second largest shareholder says the company is likely to reach an agreement on a tie-up with Bharti by the end of August.

30 July: An Indian government minister says talks between Bharti and MTN, which could eventually lead to a full merger of the two firms, have not been finalized yet.

31 July: Bharti and MTN are likely to update the market on 3 August on talks aimed at merging their operations, two sources with direct knowledge of the matter say.

3 Aug: Bharti and MTN extend exclusive talks by a month.

Source: Reuters