

VMO2 syndication launched

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Syndication has been launched for the £3.3 billion (\$3.8bn) underwritten debt on Virgin Media O2 (VMO2) with banks having met today (14 September) and close slated for mid-October.

The 9 underwriters on the 7-year debt package are:

- BBVA
- BNP Paribas
- Credit Agricole
- ING
- MUFG
- NatWest
- Santander
- SMBC
- Societe Generale

The debt is understood to be priced at north of 200bp over reference rate and has been arranged in a single tranche – subject to change as institutional investors are brought to the table.

The £4.7 billion projects breaks down:

- £3.3 billion – debt
- £1.4 billion – equity commitments from the 3 sponsors

VMO2 is a JV of Liberty Global Telefónica with a 50% stake and InfraVia Capital Partners (holding the other 50%) for the roll-out of fibre to the home (FTTH) connection to 7 million UK premises.

VMO2 will be the anchor wholesale client of the planned roll-out. The deal is subject to regulatory approvals.

The network will provide wholesale access to telecoms service providers and – once operational – will create an “undisputed second national fibre network in the UK”, according to the project sponsors.

Full delivery of the project is slated for completion by 2027.

VMO2 was contacted for comment but declined invitation.

Advisers to Liberty Global and Telefónica:

- Barclays – financial
- LionTree – financial
- Allen & Overy – legal

InfraVia advisers include:

- Lazard – financial
- Linklaters – legal
- De Pardieu Brocas Maffei – legal (France)

Advisers to the lenders:

- Latham & Watkins – legal

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