

HK's PCCW plans \$3 bln bank facility -Basis Point

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HONG KONG, July 14 (Reuters) - Hong Kong fixed-line carrier PCCW Ltd (0008.HK: Quote, Profile, Research) is in talks with banks for a \$3 billion facility, some of which will be used for financing its HK\$16.6 billion (\$2.13 billion) debt under its restructuring plan, bankers told Reuters Basis Point.

Bankers also said the remaining \$800 million would be injected into a new entity, HKT Group Holdings Ltd, which is to hold the group's media and telecoms businesses.

PCCW intends to sell 45 percent of the new company to investors in its latest effort to sell core assets.

The company said in May it may use proceeds of the possible stake sale for investments in further growth initiatives in telecommunications, media and technology.

The financing facility is expected to be of a three-year tenor, although a five year tenor tranche is also likely to be included, Reuters Basis Point said.

Based on its gearing of over four times, the three-year facility could be priced at an all-in of about 170 basis points, it said.

The new unit is expected to be rated BBB-minus, Reuters Basis Point said.

Source: Anne Marie Roantree



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