

Canal Plus must make offer to MultiChoice shareholders, says regulator

By Nqobile Dlodla

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South Africa's takeover panel has ruled that French media company Groupe Canal+ SA is required to make a mandatory offer immediately to buy shares of pay-TV company MultiChoice that it does not already own, MultiChoice said on Wednesday.



A MultiChoice logo is displayed outside the company's building in Cape Town, South Africa. Source: REUTERS/Esa Alexander/File Photo

Canal Plus, the biggest shareholder, earlier this month offered to buy the rest of the company.

It held a 31.67% stake at the time which rose to 35.01% shortly afterwards, topping a 35% threshold where a mandatory offer is required.

Its offer of R105 per share was rejected by the board of MultiChoice, saying it significantly undervalued the group.



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"The panel rules that Canal+ must take immediate action to comply with the requirements of.. the (Companies) Act and the regulations by making a mandatory offer to the remaining shareholders of MultiChoice," the Takeover Regulations Panel (TRP) said in its ruling.

Canal Plus had argued it was not required to make a mandatory offer as MultiChoice's memorandum of incorporation restricts foreign companies from holding more than 20% of the broadcaster's voting rights.

The TRP rejected this argument.

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