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BT acquires 33pc stake in Binariang

BRITISH Telecom Plc has reiterated its commitment to Malaysia by finalising the acquisition of a 33 per cent stake in Binariang Bhd for RM1.8 billion cash - making Malaysia its largest investment destination in the region.

BT Asia Pacific managing director Richard Slogrove yesterday said Britain's largest telecommunications operator has invested US\$1 billion (RM3.8 billion) in Asia over the last three months.

This includes BT's acquisition of a 23.49 per cent stake in South Korea's LG Telecom Co for US\$390 million (RM1.48 billion), announced last Wednesday.

"Almost half of the investment flows into Malaysia, our single biggest investment in the region."

Slogrove stressed that Malaysia's currency controls would not affect BT's investment in Binariang.

He added BT's move to complete the acquisition confirms its confidence in the future of Malaysia and its telecommunications industry, especially that of cellular service, Maxis.

"Astro (the cable network run by Binariang's sister company) might have been on the vests of the athletes at the 16th Commonwealth Games, but Maxis will be the gold medal winner in the telecommunications race."

Slogrove spoke at a Press conference on BT's acquisition of a stake in Binariang in Kuala Lumpur. Prime Minister Datuk Seri Dr Mahathir Mohamad, who witnessed the event, welcomed such foreign investments which he said would benefit the parties involved as well as the country.

He said BT would not only be investing but would also be transferring technology and ideas.

He encouraged such investments even in the banking sector, saying the maximum foreign shareholding limits in a local bank could be revised if the bank was pressed for funds.

Dr Mahathir, who is also First Finance Minister, said the current situation in the banking sector was stable, but there were indications that some foreign parties wanted to take up stakes in local banks.

Also present at the event was Energy, Telecommunications and Posts Minister Datuk Leo Moggie.

Meanwhile, Binariang chairman Tun Mohammed Hanif Omar said the fixed line and mobile telephone operator would see some changes as it welcomes BT into its fold.

"The board of directors will consist of four BT appointees. Other members of the board will continue to reflect the rest of the shareholders, Usaha Tegas Sdn Bhd, MediaOne International and Permodalan Nasional Bhd."

MediaOne will have its existing 19 per cent stake diluted to 12.67 per cent.

Total foreign shareholding in Binariang will add up to 46 per cent, leaving 54 per cent in local hands.

Local shareholder, Usaha Tegas will see its existing 76 per cent stake reduced to 49 per cent upon completion of the deal while Permodalan Nasional will maintain its existing five per cent stake.

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