

## **Altman Vilandrie & Company In The News**

### **AT&T Said to Be Likely Winner in Verizon Assets Sale**

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By Amy Thomson  
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May 8 (Bloomberg) -- AT&T Inc., taking advantage of its rival's forced sale, is likely to win most of the wireless operations being auctioned by Verizon Wireless, according to one person close to the situation.

AT&T may pay \$2.5 billion for 75 percent of the assets that Verizon is required to sell following its acquisition of Alltel Corp., said the person, who declined to be identified because the auction is private. The sale hasn't been completed and results may be announced any time, the person said.

An AT&T win would partly close the gap between its customer base and that of Verizon, which surpassed AT&T to become the largest wireless operator after buying Alltel in January. The Verizon businesses for sale serve 2.1 million customers in more than 20 states.

"It's an attractive valuation, low enough for them to acquire these customers and, over time, migrate them" to AT&T's network technology, said Rory Altman, director of Altman Vilandrie & Co. in Boston, who doesn't own the shares. AT&T can "catch up slightly to Verizon's recently captured lead in the subscriber race, and it also expands AT&T's spectrum holdings."

Buyout firms Blackstone Group LP, KKR & Co. and Carlyle Group had also submitted bids, as did wireless carrier U.S. Cellular Corp., according to people familiar with the auction. In February, Verizon said more than 30 parties had expressed interest in the assets.

Verizon spokesman Jim Gerace didn't return phone and e-mail messages. AT&T spokesman Mark Siegel declined to comment. U.S. Cellular representatives didn't have an immediate comment.

#### **Alltel Purchase**

Verizon bought Alltel in January from the buyout arm of New York-based Goldman Sachs Group Inc. and TPG Inc. Basking Ridge, New Jersey-based Verizon spent about \$28 billion for Alltel, which had some 14 million customers at the time.

The U.S. Federal Communications Commission forced Verizon to sell the assets after the Alltel purchase to avoid antitrust issues.

Carriers are jockeying for a bigger share of the wireless market as the pool of new subscribers shrinks, rolling out dueling Web-enabled phones and adding new devices, such as miniature laptops, to their networks. Phone companies have sold enough wireless devices to cover almost 90 percent of the U.S. population.

Verizon Communications Inc., which co-owns Verizon with Vodafone Group Plc, dropped 1 cent to \$29.85 at 4 p.m. in New York Stock Exchange composite trading. The shares have declined 12 percent this year. AT&T fell 20 cents to \$25.25.

Blackstone, based in New York, is the world's largest buyout firm, followed by Washington-based Carlyle. KKR, also in New York, is a private-equity company run by Henry Kravis and George Roberts.