



NTR set to sell off Irish Broadband for €60m

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NTR has approached a number of companies with a view to selling off Irish Broadband, its broadband subsidiary.

The privately-traded utility company has put a €60m price tag on its broadband arm. At least three possible purchasers have been approached. That NTL is disposing of Irish Broadband will not surprise the industry. In the wake of the company's AGM earlier this year, NTR chief executive Jim Barry stated clearly it was no longer a core part of the company.

However, at that time he seemed to reject the idea of a trade sale in favour of a possible flotation.

According to one industry source, the problem for Irish Broadband is that its technology platform is not compatible with some of the companies who might otherwise consider making an offer.

This problem is not confined to the NTR subsidiary. Industry players saw that a plethora of incompatible systems is holding back consolidation in the highly-fragmented sector.

According to NTR, Irish Broadband is the third-larg-

est provider of broadband services in the Irish market, with over 25,000 subscribers.

Revenue

The subsidiary recorded revenue of €8.2m in the 15 months to March of this year, compared with €2.2m for all of 2004.

Broadband companies tend to be capital-intensive. Network investment led Irish Broadband to make a €15m operating loss in 2005. According to a report in 'The Sunday Times' yesterday, two Irish companies operating in the broadband market are between them

set to invest almost €25m. Digiweb, a Louth-based provider, is reported to be investing €20m, while Broadworks, a Dublin-based cable TV and broadband company is to raise €4.5m.

NTR is selling Irish Broadband to focus on its capital-intensive core operations, which range from tools roads to alternative energy and waste management.

Later this month it will issue 28m new shares in an attempt to raise €150m in fresh equity, valuing the company at just about €1bn.