

Verizon-Vodafone Seen Yielding Over \$240 Million in Fee Bonanza  
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(For stories on the Vodafone-Verizon deal, see {EXT6 <GO>})

By Aaron Kirchfeld

Aug. 30 (Bloomberg) -- Verizon Communications Inc.'s buyout of the rest of its wireless venture may yield more than \$240 million in fees for the bankers lucky enough to win a role on the biggest transaction in more than a decade.

Vodafone Group Plc is in advanced talks to sell its 45 percent stake in Verizon Wireless to its U.S. partner for about \$130 billion, said people with knowledge of the matter. At that price, the banks guiding Verizon may earn as much as \$125 million in fees, while Vodafone's advisers could make up to \$118 million, estimates from Freeman & Co. show. That doesn't include potential underwriting fees for financing.

The deal would catapult the communications industry to more than \$300 billion in takeovers in 2013, making it the busiest sector for mergers and acquisitions. The top adviser in that industry so far is Goldman Sachs Group Inc., which worked on Vodafone's proposed purchase of Kabel Deutschland Holding AG and America Movil SAB's bid to buy the rest of Royal KPN NV.

There have been about \$1.36 trillion in transactions globally in 2013, little changed from a year earlier, according to data compiled by Bloomberg. Goldman Sachs also leads the advisory ranks globally this year with about \$285 billion in deals, according to data compiled by Bloomberg. JPMorgan Chase & Co. and Bank of America Corp. round out the top three.

#### Financing Negotiations

Verizon is working with several banks to raise \$10 billion from each, or enough to finance about \$60 billion of the buyout, according to two people, who asked not to be identified because the talks are private. An announcement could come as early as Sept. 2, said the people.

Vodafone confirmed talks with Verizon in a statement this morning. The Newbury, England-based company said there's "no certainty that an agreement will be reached" as it holds discussions with New York-based Verizon.

The acquisition would end a partnership of over a decade that has paid billions in dividends to Vodafone while limiting Verizon's ability to reap earnings from the most profitable U.S. mobile-phone company. Bob Varettoni, a spokesman for Verizon, declined to comment.

At \$130 billion -- almost Verizon's entire market value --

the deal would be the biggest since Vodafone's acquisition of Mannesmann AG in 2000. Other large telecom deals this year include SoftBank Corp.'s purchase of a controlling stake in Sprint Nextel Corp. and Deutsche Telekom AG's combination of its T-Mobile USA unit with MetroPCS Communications Inc.

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