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## Vincent Bolloré increases stake in Vivendi to 10.2%

Adam Thomson in Paris



Vincent Bolloré

French billionaire Vincent Bolloré has increased his stake in [Vivendi](#), tightening his grip on the Paris-based media and content group three days after an activist investor challenged his strategy.

Mr Bolloré, who took over as Vivendi chairman last year, bought an extra 27.7m shares for €632m, pushing his stake to 10.2 per cent — double what it was only a month ago.

The move to increase control comes as he gears up for a showdown next month with minority shareholders who are urging investors to force Vivendi to pay out €9bn in dividends this year.

PhiTrust, another minority shareholder, wants Vivendi to exempt itself from a new French law that would give longer term shareholders such as Mr Bolloré twice as many votes as new investors.

The billionaire raised his stake in Vivendi on the same day that his Bolloré Groupe said it sold a 22.5 per cent stake in French advertising company [Havas](#), raising €601m. The sale, which was more than the 17 per cent he had initially intended to sell, reduces Mr Bolloré's stake in Havas from about 83 per cent to roughly 60 per cent.

P Schoenfeld Asset Management (PSAM), a US hedge fund holding less than 1 per cent of Vivendi's shares, on Monday challenged Mr Bolloré's strategy. It also insisted that a €9bn payout was the best way to reward investors as Vivendi finds itself sitting on a huge mountain of cash.

Vivendi, which owns Universal Music Group (UMG) and Canal Plus, the French pay-television business, has been transformed over the past two years. It has sold off more than €35bn in telecom and other assets to become more focused on media.

Mr Bolloré, Vivendi's biggest shareholder, has said he intends to use an estimated €15bn that will be left over after paying off debt to expand UMG and Canal Plus, and fund acquisitions.

But PSAM has complained that his plans lack definition. It also said Vivendi can afford to pay out €9bn while still retaining enough to cover any future purchases.

"PSAM believes that Vivendi is significantly undervalued due to its excessive cash holdings, inadequate capital return policy and the uncertainty over Vivendi's future use of its capital," it said on Monday.

The fund, led by Peter Schoenfeld, said it had submitted a white paper to the management board arguing that the group had an intrinsic value of €25-€27.50 per share. Vivendi shares closed on Thursday at €22.96.

"It is an irrational amount," Mr Schoenfeld said on Tuesday. "If we leave them with €18bn, they will never have to come back to shareholders for anything."

Vivendi said last month it expected to return €3bn to shareholders via three annual dividend payments. The company also said that it could return up to an extra €2.7bn via a share buyback programme at a maximum of €20 per share.

That was significantly less than investors had hoped for and the company's shares suffered their biggest one-day fall in more than three years.