

Endemol restructures debt

Existing owners may relinquish control

By Variety Staff



Endemol has set a plan to restructure its \$2.6 billion in debt, a move that will usher in new round of talks with suitors including Time Warner.

Time Warner bid \$1.4 billion in cash and stock for the company last fall, then tweaked its proposal at Endemol's request to offer all cash. But the Netherlands-based group opted to put a hold on deal talk and told Time Warner it would resume negotiations after it straightened out its finances, according to a person familiar with the situation.

A Time Warner spokesman declined to comment. But the company was said to be awaiting word on what kind of sale process Endemol was looking to pursue after reaching an agreement in principle with more than two-thirds of its lenders.

The deal, which the company called “an important milestone,” could cut its debt by about \$644 million. Endemol’s three shareholders — Silvio Berlusconi’s Mediaset, Goldman Sachs’ Capital Partners and outfit co-founder John de Mol’s investment vehicle Cyrté — are expected to relinquish control as their combined stake falls below 50%.

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The three will keep seats on the board, but joined by reps of the lenders, which include Apollo Management, Centrebridge, Providence Equity, Barclays, RBS and Lehman Brothers.

As talks proceeded in recent months over the company’s precarious financial position, it sought interest from potential buyers including Time Warner. U.K. terrestrial web ITV was also said to be kicking the tires. There’s speculation that RTL, owner of Endemol’s chief rival FremantleMedia, may consider a bid after the restructuring is complete.

“We are delighted that the majority of our lenders have in principle agreed to the proposed commercial restructuring terms, and we can now enter into the final part of the process,” said Marco Bassetti, global president of Endemol. “Without the constraints of an onerous

capital structure, we will be able to pursue exciting growth initiatives and build upon the solid progress that the group has made in 2011,” he added.

Endemol said it will continue to finalize documents for the “legal implementation of a successful restructuring”over the next few weeks.

Provided there are no legal obstacles, the restructuring should draw a line under what has been a tense time for the company, without a CEO since Ynon Kreiz ankleed last summer.

Endemol said that it had outperformed its own internal budgets by about 10% last year.