

Vodafone to sell Hungary business in £1.5 billion deal

The telecoms firm [Vodafone](#) has sold its Hungarian business in a deal worth 715 billion forints (£1.5 billion).


The company said it agreed non-binding terms with Hungary-based 4iG and Corvinus, a company owned by the Hungarian state, to create a locally-owned telecoms operator.

Vodafone boss Nick Read said: “The Hungarian Government has a clear strategy to build a Hungarian owned champion in the ICT sector.

“The combined entity will increase competition and have greater access to investment to further the digitalisation of Hungary.”

The deal is set to create the country’s second largest telecoms provider after Magyar Telekom, a subsidiary of Deutsche Telekom. Vodafone said the Hungarian operations of its business services company VOIS would not be included in the deal.

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A Vodafone spokesperson said the Newbury-based company

couldn't see a clear path to scale in Hungary and was exploring similar sales in other markets, including in the UK. Proceeds from the sale would be used to reduce company debts.

The deal is set to be completed by the end of 2022. In 2020, Vodafone struck a preliminary agreement to sell its stake in Vodafone [Egypt](#) in a £2 billion deal before the agreement fell through later in the year.

Victoria Scholar, head of investment at Interactive Investor, said: "It is clear the Hungary government is keen to build its own national telecoms champion with Vodafone prepared to take the cash in exchange for the spin-off.

"Now the telecoms giant can focus more of its attention on Germany instead, a market it considers to be the most attractive on the continent."