

TalkTalk owners set for bondholder summit over £200m capital injection

TalkTalk, the telecoms group founded by Sir Charles Dunstone, will meet bondholders next week to discuss proposals for a £200m-plus capital injection from its owners.

Sky News understands that the company and a group of key lenders and their advisers, will hold talks on Tuesday about plans for Sir Charles and other shareholders to inject the new funding.

TalkTalk is one of Britain's biggest broadband providers, with nearly 4m customers.

The discussions will come after months of attempts by the Carphone Warehouse co-founder to hammer out a solution to fix TalkTalk's balance sheet.

If it progresses, the £200m injection from Sir Charles, Toscafund and Ares Management would be accompanied by an amend-and-extend agreement with the group's lending banks.

Separate discussions with Macquarie, the Australian banking behemoth, about a larger investment into TalkTalk's wholesale network business, PlatformX, are continuing but have yet to reach a resolution.

James Smith, TalkTalk's chief financial officer, told debt investors during a results call this week: "We anticipate agreement on new capital investment into the business in the near future, and discussions to achieve that are ongoing."

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“Engagement continues with a potential new investor, together with potential new lenders.

“At the same time, the group’s existing shareholders have confirmed their intent to provide new funding of over £200m into the group to support working capital and operational costs.

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“Those shareholders and the company are in dialogue with

existing group lenders, or their advisers, regarding the optimal route to put that funding into the business.”