



CASE STUDY

Post-Acquisition Dispute in the Telecommunication Sector

SITUATION

An international telecoms operator acquired 100% of a private company in the telecoms sector.

As a result of this acquisition, certain liabilities materialised. According to the buyer, these liabilities caused various losses, in breach of the representations and warranties of the sale and purchase agreement (“SPA”).

OUR ROLE

FTI Consulting was engaged to:

- determine, from an accounting perspective, whether the claims in dispute constituted a breach of the representations and warranties of the SPA;
- confirm the amount of the claims, from an accounting perspective;
- quantify the loss incurred by the buyer in respect of the various claims; and
- quantify the corresponding indemnification amount, based on the thresholds provided for in the SPA for any indemnification that would arise following claims constituting a breach of the representations and warranties.

We prepared two financial expert reports which were disclosed along with the Claimant’s statements, and our expert gave oral testimony at the hearings.

OUR IMPACT



We collaborated closely with the lawyers to analyse the damages caused by the various liabilities that materialised post-acquisition (contractual clauses, etc.).

Our work strengthened the demonstration of causality as we analysed the accounting impact of the claims.

Our report was communicated to the Tribunal to justify the compensation claimed by the buyer.



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