

## BCE & Aliant a bad deal for BCE shareholders Re: what is happening with BCE stock; Aliant

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a\_plutonium@xxxxxxxxxxxx wrote:

I been following this stock somewhat, since I hold a sizeable portion. Correct me if wrong on some of these details. BCE owns a subunit called Aliant which is a cell phone carrier. And BCE decided to package together Aliant and some of BCE into a spin off to its shareholders of BCE common. They are seeking approval from Canada government to spin off this Aliant subunit.

What I am confused about is that the price of BCE should now be about \$30 per share instead of today's price of about \$23.

What am I not getting about this picture? Is it that the value of the Aliant spinoff is about \$7 in value and so \$23 + \$7 does equal \$30?

If my memory is correct, BCE in the late 1990s doubled in price because it spun-off Nortel. So why in the case of Aliant, has BCE not moved upwards aggressively?

Some of the above was wrong as Aliant is a stand alone company. Apparently BCE wanted the mobile unit of Aliant and in exchange gave Aliant the wirelines in some provinces.

From what I was able to gather information from the news is that on 10

July, BCE shareholders will get 0.0725 units of Aliant for every 1 of BCE. And get 0.915 units of BCE for every 1 of BCE.

This is a bad and raw deal to me and other shareholders of BCE, in my opinion.

I own 14,420 BCE on 10July06 which means I end up with :

$(14420 \times 0.915) + (14420 \times 0.0725) = 13194 + 1045 = 14239$  total shares

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No wonder the share price of BCE has sunk from \$28 to \$23 in the past months. I started with 14420 and now end up with 14239.

I am sure BCE is trying to justify this by saying that the 1045 shares of Aliant Unit is worth about \$32. today whereas the BCE shares are worth \$23. So that the extra value in money is more than the original 14420.

I do not buy that argument for playing the StockMarket VonNeumann Gametheory, it is the increase in numbers of share units that is the real measure of an increase in wealth.

So if BCE had made the exchange rate as that of 0.0725 with that of 0.9275 which when added together is 100%. Then I would be happy as a BCE shareholder. But I lost