TORONTO, Oct. 7, 2013 /CNW/ - Accelero Capital Holdings S.à.r.l. ("Accelero") is very disappointed by the Federal Government's unexpected rejection of its proposed acquisition of Allstream.

Accelero announced its plan to acquire Allstream, a division of Manitoba Telecom Services Inc. (TSX:MBT) ("MTS Allstream"), on
May 24, 2013
. The proposed transaction was the result of an extensive strategic review process launched by MTS Allstream and was consistent with the Federal Government's stated policy goal of attracting foreign investment to increase competition in
Canada's
telecommunications sector.

Accelero invested considerable human and financial resources in this transaction, and committed to an investment of $300 million to increase Allstream's competitiveness and accelerate the introduction of innovative new products to increase the productivity of Canadian small, medium and enterprise businesses.

Accelero believes its investment in Allstream would have contributed to increased competition in Canada's telecommunications sector, sent a strong message that Canada's telecommunications sector is open to foreign investment and enabled Allstream to accelerate the introduction of innovative products to increase the productivity of Canadian businesses.

It is on this basis that Accelero worked closely with the Federal Government, MTS and Allstream trying to ensure that the transaction met all the policy, legislative and business criteria required to ensure a successful conclusion to the deal. This transaction was structured to promote the Government's stated telecom investment policy, to increase competition, to enhance Canadian productivity, to benefit the Canadian-listed MTS, its stakeholders and all Canadians, while seeking to address any Government concerns.

"Throughout this process, we were comforted by Industry Canada that our filings were in order, our submissions complete and constructive, and our proposed binding undertakings serious and substantive so that the transaction would meet the 'net benefit' test," said Accelero co-founder and global telecom entrepreneur, Naguib Sawiris. "We are disappointed by the Government of Canada's unfounded and unexpected decision. Accelero has an impressive track record of successful investments in many of the countries with whom Canada enjoys global strategic partnerships. Accelero founders have previously led the investment of approximately $1 billion in Canada's telecommunications sector, beginning with the 2008 AWS spectrum auction."

About Accelero Capital Accelero is an investment and management group focused on telecommunication, digital media and technology. Accelero's team has an unparalleled track record in strategic, operational and financial management. Accelero was established by former Orascom Telecom, Wind Telecom and VimpelCom executives: Ossama Bessada, former CEO of Wind Italy and former Head of Europe and North America Business Unit of VimpelCom; Khaled Bichara, former President and Chief Operating Officer of VimpelCom and former Group Chief Executive Officer of Orascom Telecom and Wind Telecom; and Aldo Mareuse, former Group Chief Financial Officer of Orascom Telecom and Wind Telecom. Accelero is backed by Naguib Sawiris, a renowned global telecom entrepreneur. The Accelero team leverages its expertise and sector know-how to identify high-growth assets and assets with turnaround potential. http://www.accelerocapital.com

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