

Fierce Bidding War Erupts for French Retailer Darty

LONDON — A frantic bidding war for the French electronics and appliance retailer Darty erupted on Thursday as the French unit of Steinhoff International Holdings and the French retailer Groupe Fnac both announced a series of sweetened offers for the company.

The rush to acquire Darty began in March when Steinhoff of South Africa offered to buy the retailer at a price that exceeded the one in a previous merger agreement with Fnac. In November, Fnac had offered to pay 558 million pounds, or about \$802 million, for Darty.

In March, Steinhoff abandoned its pursuit of the Home Retail Group as it faced a separate and potentially lengthy battle with J Sainsbury, one of Britain's largest grocery store chains. It instead agreed to acquire Darty with a cash offer of 125 pence a share, or about £673 million, beating Fnac at the time in a race to acquire the company.

Steinhoff wants to combine Darty with Conforama, a French household goods retailer that it bought five years ago.

But on Thursday, Fnac and Conforama each made a series of escalating offers for Darty as the day progressed.

Darty did not indicate on Thursday whether it was leaning toward either suitor.

"The board will carefully consider these two announcements and will provide further advice to Darty shareholders in due course," Darty said in a news release on Thursday.

Shares of Darty closed up 23 percent in trading in London after the flurry of announcements.

A day earlier, Conforama announced that Steinhoff Finance Holdings, a unit of its parent Steinhoff, had acquired 19.5 percent of Darty at a price of 138 pence a share and that Conforama would sweeten its offer to investors. Together, Conforama and its associated companies own or have agreements to buy about 19.7 percent of Darty.

Fnac responded on Thursday morning by offering to buy Darty for 145 pence a share in cash, or about £779 million.

A few hours later, Conforama announced its second sweetened offer, worth about £806 million in cash.

Then, Fnac said Thursday afternoon that it had acquired just over 5 percent of the company and sweetened its offer to 153 pence a share in cash. Investors also could choose to accept four shares in the combined company for every 119 shares of Darty they own, Fnac said.

Conforama responded with a third sweetened offer, saying it was now willing to pay 160 pence a share, or about £860 million.

Darty operates about 400 stores in France, Belgium and the Netherlands and reported revenue of more than 3.5 billion euros, or about \$4 billion, in the 2014-15 fiscal year.

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