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Svyazinvest Backs Rostelecom's Semyonov as CEO

By The Moscow Times

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Russian state telecoms holding Svyazinvest said Thursday that it wanted Vadim Semyonov, a vice president at its Rostelecom unit, as its new chief executive following a boardroom conflict.

Semyonov's appointment was recommended by the Communications and Press Ministry on Sept. 17.

Yevgeny Yurchenko resigned as chief executive Sept. 10 because of what sources said was a conflict with the management of Rostelecom over the growing involvement of investment fund Marshall Capital Partners.

Troika Dialog said Semyonov's nomination was "expected to restore the balance of power at Svyazinvest that disappeared as a result of mounting disagreements between Yurchenko and representatives of Marshall Capital Partners, who occupy top managerial positions at

Rostelecom and Svyazinvest."

Svyazinvest is undergoing a major restructuring through a merger of Rostelecom — its key subsidiary — with seven regional operators it also controls, with the aim of enabling the government to play a bigger role in the telecoms sector.

Marshall, whose representative Alexander Provotorov has recently been appointed Rostelecom chief executive, has said it would be the biggest minority shareholder of the reformed group with a 7 percent stake.

"We do not rule out further management reshuffles at both companies. ... That said, we do not think that the current management uncertainty will last long, as it may affect the reorganization of Svyazinvest and Rostelecom through which the government executes control over its assets in the telecommunications sector," Troika Dialog analysts said.

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