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VimpelCom Backs Tunisian Asset Sale

By Olga Razumovskaya

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A pedestrian walking past Orascom Telecom Holding's headquarters at Nile City Towers in Cairo, Egypt, last month. **Shawn Baldwin**

VimpelCom said Monday that it supported the sale of a stake in the Tunisian mobile operator that could otherwise become part of its deal to buy indebted Egyptian billionaire Naguib Sawiris' assets.

Sawiris' Orascom Telecom Holding, where VimpelCom is planning to buy 51.7 percent, said earlier Monday that it decided to sell its half of Telecom Tunisie for $1.2 billion to Qatar Telecom and Princesse Holding of Tunisia.

VimpelCom said it lent its approval to the sale because it wouldn't be able to gain full control of the asset where Qatar Telecom owns the other half. Also, Orascom will use a portion of the money from the sale to cut its debt, making it easier for VimpelCom to complete the Orascom purchase, VimpelCom said in a statement.

"Divestment of the Tunisian operations ... will therefore reduce the amount of indebtedness

that will need to be refinanced by VimpelCom as a result of the transaction," the statement said.

Under the deal with Sawiris signed last month, VimpelCom agreed to buy the Orascom stake and 100 percent of Italy's third-biggest mobile operator Wind Telecomunicazioni from the billionaire's holding company Weather Investments. If completed, the $6.6 billion acquisitions are set to propel VimpelCom, held mainly by Alfa Group and Norway's Telenor, to become the world's fifth-largest operator by subscribers.

"Tunisia is not one of priority destinations for VimpelCom," said Alexander Kazbegi, a telecoms analyst at Renaissance Capital. "It is Wind they're after."

On the other hand, the "decent" cash injection will take the pressure off Orascom to sell its assets to VimpelCom, he said.

Orascom may also have to part with another unit that is part of its VimpelCom deal, which is Algeria's mobile operator Djezzy. The Algerian government is considering the nationalization of the company over a huge back-tax bill.

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