

Telenor Seeks Court Arbitration on VimpelCom Plans

By [The Moscow Times](#)

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Telenor asked for the dispute over VimpelCom Ltd.'s purchase of Egyptian billionaire Naguib Sawiris' phone assets to be referred to a court of arbitration.

Telenor opposes a plan by VimpelCom, Russia's second-biggest mobile phone operator, to issue new stock representing 20 percent of shares outstanding and 31 percent of voting rights to investors in Wind Telecom, the holding company for Sawiris' phone assets.

Altimo, the telecommunications arm of Alfa Group and VimpelCom's biggest shareholder by voting rights, supports the deal.

After Telenor appoints its representative on the tribunal, selecting the other two arbitrators may take up to 60 days, Dag Melgaard, a spokesman for the Fornebu, Norway-based company, said Monday.

VimpelCom shareholders are scheduled to vote March 17 on the new shares. Telenor requested that the shareholders meeting be delayed until after the arbitration panel, VimpelCom said.

“We are following two paths, the legal path and the shareholders meeting, where we will try to convince as many as possible of the minority shareholders to vote with us,” Melgaard said.

VimpelCom is seeking to take over Sawiris’ Italian mobile operator Wind Telecomunicazioni and his 51.7 percent stake in Egypt’s Orascom Telecom Holding for about \$6.5 billion to create the world’s sixth-largest phone company.

“VimpelCom’s management and supervisory board continue to believe strongly in the strategic rationale for the transaction,” VimpelCom said in a statement Monday.

The tribunal will rule on whether the merger is classified as a related party transaction, which would enable VimpelCom to issue shares to Sawiris without offering them to Telenor and other shareholders first.

“We would not have done this if we had not thought we would win,” Melgaard said. “Our pre-emptive rights have been taken away from us.”

The VimpelCom board overrode Telenor’s objections to the bid. Telenor holds about 36 percent of votes in VimpelCom to Altimo’s 45 percent. Each company has three seats on the nine-member board.

The merger of Telenor and Altimo shares in VimpelCom and Kyivstar GSM was agreed to in October 2009, ending years of courtroom disputes over the control of mobile companies in Russia and Ukraine.

The agreement resulted in a retreat from lawsuits that had led to a fine against the Norwegian company of \$1.7 billion in a Siberian court.

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