

Altimo Wants to Scrap Telenor Shareholder Agreement

By [The Moscow Times](#)

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Norway's Telenor may be on the brink of losing its influence over Russian mobile operator VimpelCom as fellow leading shareholder Altimo said it wants to scrap the company's shareholder agreement.

The 2009 agreement, thrashed out after years of courtroom and boardroom battles between Telenor and Russian billionaire Mikhail Fridman's Altimo, was designed to give Altimo and Telenor roughly equal sway in VimpelCom.

One of the key elements of the agreement was a balanced boardroom, with three independent directors neutralizing Altimo and Telenor's three directors each.

Altimo said late Friday that it wanted to scrap the agreement after it brought in a third major shareholder in Egyptian tycoon Naguib Sawiris.

Sawiris is the owner of international telecoms assets bought by VimpelCom in a \$6 billion cash and shares deal, and Altimio wants Sawiris to have similar rights to other leading shareholders.

Analysts said Altimio's move was designed to give Fridman and Sawiris control of VimpelCom and push out Telenor.

"We see a high probability that Altimio ... and Sawiris will be able to control the board. Even if they only have half the board members, they will be able to push through all the major decisions they need," said Viktor Klimovich, an analyst at VTB Capital in Moscow.

"Hence, we expect that the current balance of votes in the board which, in theory, works in favor of the company itself, [and hence minority shareholders] in the new board will not be retained," he added.

If the shareholders' agreement is annulled, Telenor spokesman Dag Melgaard said it would open up a "whole new scenario that we will need time to reconsider."

Shares in Telenor opened up 0.4 percent in Oslo, in line with the market, as investors reflected that Telenor might be better off out of the long-running corporate battle.

"I can not see anything other than that Telenor will benefit from seeing this [VimpelCom]) as a financial investment and not a strategic asset," said Tore Toenseth, an analyst at Argo Securities.

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