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Telenor Buys VimpelCom Shares Despite Antitrust Warning

By The Moscow Times

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Norway's Telenor purchased an increased stake in VimpelCom in the face of opposition from co-shareholder Altimo and the Federal Anti-Monopoly Service.

The purchase of the 3.5 percent stake from Egyptian tycoon Naguib Sawiris, which raises Telenor's stake to 43 percent, is the latest episode in a long-running campaign by Telenor to secure what it regards as an equal holding in the mobile operator alongside locally based Altimo.

Telenor said Aug. 17 that it would buy the stake after Sawiris exercised his option to sell.

But the deal helped spark a renewed outbreak of hostilities between the two sides. They are battling for control of VimpelCom, which has a market value of $16 billion and has a strategic position because it holds a quarter of the country's mobile market.

Telenor's stake would eclipse Altimo's 40.5 percent holding, but the Norwegians argue that a 6 percent stake owned by Bertofan, an investment vehicle of Ukrainian tycoon Viktor Pinchuk, should be counted as "parked" shares owned by Altimo that are part of the latter's total stake.

Telenor says the two main owners should divide up the Bertofan shares to restore ownership parity.

"We now sit with almost 43 percent, and they [Altimo] have a controlling share together with Bertofan of 46 percent. We suggest that we split that 6 percent share in a way that makes us equal in terms of voting power," Telenor spokesman Dag Melgaard said.

The watchdog previously filed a lawsuit against Telenor and called on the Norwegian group to sell part of its 43 percent stake to achieve what it regards as parity.

"We will keep these shares," Melgaard said, adding that Telenor had not been in contact with Altimo ahead of Monday's announcement.

"Our proposition is to maintain equality between the two biggest shareholders on the board," he said.

The head of the agency said in a statement that the Norwegian company's action had gone against an injunction by a Russian court.

"I regret this, because an injunction by a Russian court has been violated," Igor Artemyev said in comments issued by the service's press office. "Unfortunately, we cannot add anything for now."

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