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Telenor Opens Door to Selling VimpelCom Stake

By The Moscow Times

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OSLO — Norwegian telecoms operator Telenor has changed its stance on its stake in mobile operator VimpelCom, declining to rule out a sale in what could signal an end to a decade-long ownership battle.

Telenor said Thursday it was taking a "pragmatic" stance on the stake, worth up to $7 billion, two days after its Russian partner in VimpelCom bought another shareholder's stake to raise its voting rights to near 50 percent.

"What we are saying now is that if there is a bid, we will have a pragmatic stance," Telenor spokesman Dag Melgaard said.

"It depends on whether somebody is interested in buying. It is a large stake worth somewhere between 35 and 40 billion crowns ($6.13 to $7.01 billion)," Melgaard said.

Telenor's comments could potentially point to the settlement of a drawn-out feud that some analysts say has highlighted the risks of doing business in Russia.

Billionaire Mikhail Fridman's Altimo earlier this week overtook Telenor as the dominant shareholder in VimpelCom after buying a 6 percent stake from Bertofan, a vehicle of Ukrainian tycoon Viktor Pinchuk, increasing its voting rights to 47.85 percent.

Russia's anti-monopoly regulator had in April stepped in with a lawsuit contesting Telenor's dominant position and suspending dividends payouts.

In response, Telenor had suggested that Altimo, the telecoms arm of Fridman's Alfa Group, and Telenor should both buy shares from Bertofan to restore ownership parity after taking delivery of Egyptian tycoon Naguib Sawiris' 71 million shares in VimpelCom.

"We proposed a solution to get parity in the company, and Altimo has now obviously made clear that they are not interested in that. They want control," Melgaard said, adding that there had been no talks with Altimo over a potential deal.

"We haven't asked for a bid," he said.

Altimo said it was satisfied with the current ownership balance and declined to elaborate.

Alfa earlier this year raised $5.2 billion from the sale of its 25.1 percent stake in MegaFon and is set to receive some $14 billion from the sale of its stake in oil firm TNK-BP.

Alfa has a 50 percent stake in the AAR consortium, which agreed to sell its 50 percent stake in TNK-BP to Rosneft for $28 billion.

Alexander Vengranovich, a telecoms analyst at brokerage Otkritie, said one of the options for Alfa following its exit from MegaFon and TNK-BP could be to acquire Telenor's VimpelCom stake, adding the cost of the purchase was "within Alfa's capabilities."

"We do not think Telenor is a seller at the current price and would require a significant premium. The company likely hopes that cash-rich Alfa will make a generous offer; however, we doubt this is in Alfa's interests," Ivan Kim at VTB Capital said.

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