

TeliaSonera Says It's in Talks on MegaFon

By [The Moscow Times](#)

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HELSINKI — TeliaSonera, Sweden's biggest phone company, said it's negotiating with investment partners Altimo and AF Telecom on the future of MegaFon, Russia's second-largest mobile operator.

"The three main shareholders are in talks since about three months back regarding the ownership structure and future governance of MegaFon," Cecilia Edstroem, a spokeswoman at Stockholm-based TeliaSonera, said by phone, declining to elaborate further on a statement Wednesday that the discussions are taking place. Altimo vice president Yevgeny Dumalkin also verified the talks during a phone interview.

RBC Daily reported April 2 that Alisher Usmanov's AF Telecom is looking to buy out Altimo's 25.1 percent stake in MegaFon for \$5 billion, citing unidentified people at telephone operators. That would make AF Telecom a majority owner with the power to make new deals with other companies such as fixed-line phone company Rostelecom and Scartel, which runs

fourth-generation mobile service Yota.

"There's been pressure for something to happen for some time, given the proximity of MegaFon and Rostelecom and given that AF Telecom is blocking any dividend distribution from MegaFon," said Barry Zeitoune, a London-based analyst at Berenberg Bank.

"MegaFon's cash position is growing, and it doesn't have a particularly efficient capital structure."

Usmanov currently owns 31.13 percent of MegaFon and TeliaSonera holds 43.77 percent, according to the company's website.

MegaFon may stage an IPO after Usmanov boosts his stake, Vedomosti reported Wednesday.

TeliaSonera and Altimio, the telecommunications arm of Alfa Group, agreed in 2009 to combine their stakes in MegaFon and Turkcell Iletisim Hizmetleri into a new company to clarify ownership and increase dividends. The agreement hasn't come into force because of a dispute over a stake sale in Turkcell.

"The agreement with Altimio is still valid, and obviously if we reach an agreement on MegaFon, the prior agreement will focus entirely on resolving the ownership disputes in Turkey," Edstroem said.

Usmanov is seeking to create a new telecommunications company by gaining a controlling stake in MegaFon and swapping some of its shares for a majority in Scartel, Vedomosti reported Tuesday.

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