

VimpelCom Stock Shaken by Court's Payout Ban

By [The Moscow Times](#)

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American Depositary Receipts of VimpelCom Ltd. closed down 16.27 percent Friday on the New York Stock Exchange as U.S. investors reacted after a Moscow court blocked payouts from its Russian unit in response to a disputed share purchase in the group by Norway's Telenor.

According to a writ of execution, the court imposed a ban on 2011 dividend distribution by the Russian unit of VimpelCom, potentially limiting the company's ability to raise cash for dividend payments to shareholders.

The injunction is the latest chapter in a legal case brought by the Federal Anti-Monopoly Service following an increase of Telenor's voting stake in VimpelCom, a multinational telecoms group with assets in Russia, the CIS, Italy and North Africa.

The antitrust watchdog filed the lawsuit in April, alleging that the deal between Telenor

and Sawiris violated a Russian law on foreign ownership of Russian companies.

"In connection with this newest injunction ... the company is reviewing and considering ... deferring the payment of the previously declared VimpelCom Ltd. dividend in order to help ensure appropriate liquidity," VimpelCom said in a statement.

VimpelCom had previously declared a final dividend of \$0.35 per American Depositary Share in relation to its 2011 results, which would bring the full-year payout to \$0.80 per share, or \$1.3 billion in total.

Telenor increased its stake in VimpelCom to 36.36 percent in February after buying shares from Egyptian tycoon Naguib Sawiris, leapfrogging shareholder Alfa Group, with which Telenor has for years tussled for power and influence over VimpelCom strategy.

The injunction also bars VimpelCom, its Russian unit and their management from implementing other decisions made at a May 21 general meeting, freezing the work of the board of directors and auditors of VimpelCom's Russian subsidiary.

VimpelCom said it would appeal against the injunction, adding that it would consider delaying its annual shareholder meeting "until it has more clarity on the scope and impact of all of the injunctions and the claim brought by FAS."

The court earlier this month blocked Telenor and Sawiris' investment group Weather from voting their VimpelCom shares to change the composition of its supervisory board and forbade VimpelCom to change the board of its Russian unit.

The injunctions will be in place until the court makes a decision on the merits of the lawsuit, with the first hearing scheduled for Oct. 17.

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