

VimpelCom Q2 Up 83%, Postpones European Listing

By [The Moscow Times](#)

August 15, 2012

The  **Moscow Times**

Telecom operator VimpelCom has postponed a decision to list on a European stock exchange, stymied by legal wrangling involving its ownership, its chief executive said Wednesday.

New York-listed VimpelCom had been considering a listing on a European exchange in 2012 to broaden its investor base, but its outlook remains clouded by a legal dispute between its main owners, Altimo and Norway's Telenor.

Altimo, the telecom arm of billionaire Mikhail Fridman's Alfa Group, and Telenor have long been at loggerheads over VimpelCom's strategy and have fought a years-long battle for control of the company, which generates 40 percent of its revenue in Russia.

"We are still in discussions with our strategic shareholders," chief executive Jo Lunder said. "[A European listing] has been a little bit delayed because of the situation between the shareholders related to the preferred shares and the situation in Russia."

Altimo has a 24.8 percent voting stake, and Telenor has 39.5 percent. Telenor recently raised its stake, in a deal that Russian authorities are contesting in court, while Altimo is expected to convert preferred shares into common shares in October to raise its economic interest in the company.

The legal case prompted the group to defer dividend payments and has taken its toll on VimpelCom's stock price, which is down 25 percent from its year's high, set in February.

"We hope to be able to resolve that and then move on our discussions with them on listing and index inclusion, and I would hope that by year-end we have more information to provide," Lunder said in a telephone interview.

VimpelCom posted an 83 percent increase in second-quarter net profit to \$488 million, beating market expectations, as subscriber numbers grew across its markets.

The group last year expanded to Italy and emerging markets such as Pakistan.

In Russia, where VimpelCom is the third-biggest mobile operator, after MTS and MegaFon, it saw revenue rise 8 percent and EBITDA increase 12 percent.

Total revenue fell 4 percent, affected by the appreciation of the dollar against the group's operating currencies, including the euro and the ruble, to stand at \$5.7 billion.

Total EBITDA increased 2 percent to \$2.48 billion, above the forecast of \$2.38 billion.

Mobile TeleSystems boosted its revenue as reported under Russian accounting standards by 9.7 percent year on year to 66.97 billion rubles (\$2 billion) in the second quarter of 2012, the company said in its financial statement, Interfax reported.

For the first six months of this year, revenue grew 12.2 percent year on year to 130.36 billion rubles. In the first quarter, MTS generated revenue of 63.4 billion rubles, up 14.6 percent.

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