

# Altimo Rebuts Telenor Claim, Threatens Suit

By [The Moscow Times](#)

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**The**  **Moscow Times**

VimpelCom's largest Russian shareholder, Alfa, on Tuesday rebutted the latest ownership comments by its Norwegian co-investor, Telenor, as a seemingly intractable dispute showed no sign of a quick solution.

Telenor said Monday that Alfa speaks for the biggest stake in VimpelCom, but Alfa fired back, saying foreigners were the biggest holders. The issue is key, given Russian regulatory pressure for the two sides to have equal holdings.

The latest argument comes after a years-long wrangle over control and strategy at VimpelCom, a dispute that has typified the challenges many overseas investors face in Russia's oligarch-dominated business world.

In an e-mail, Altimo, a unit of billionaire Mikhail Fridman's Alfa Group, said that Telenor, together with Norwegian state funds and Ukrainian tycoon Viktor Pinchuk's EastOne

company, controls at least a combined 51 percent of VimpelCom's votes, against Altimo's 40.5 percent.

Telenor had argued that a 6 percent stake held by EastOne should be counted as part of Altimo's stake, saying the Russian partner therefore had effective control over more shares in VimpelCom, which holds a quarter of Russia's cell-phone market but earns the bulk of its revenue abroad.

"We flatly reject all accusations that ... EastOne nominally owns VimpelCom shares in Altimo's interests," Altimo vice president Yevgeny Dumalkin said in the e-mail. He added that Altimo reserved the right to sue Telenor for this suggestion.

The dispute over which side has greater control of the telecom operator has stalled the momentum of an official effort to have the pair hold similar stakes.

Parity of ownership is seen as a precondition for withdrawal of a lawsuit by the Federal Anti-Monopoly Service. The suit challenges the dominant position of Telenor in VimpelCom, whose Russian unit is the country's No. 3 mobile phone operator and is considered by the Russian government a strategic asset.

Altimo raised its holding to 40.5 percent last week and urged Telenor to sell it some of its own VimpelCom shares to achieve parity of ownership. Telenor's stake is set to rise to 43 percent by October as a result of an options deal.

Telenor said Monday that it had no plans to sell any of its VimpelCom shares.

The monopoly watchdog filed suit in April seeking to overturn a February deal that put Telenor's stake above Altimo's.

The withdrawal of the legal case would allow VimpelCom to resume dividend payments, which it deferred after a Russian court issued an injunction in April banning payouts by VimpelCom's Russian unit to its Netherlands-registered parent company.

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