

Altimo Borrows \$3.2Bln From Sberbank

By [The Moscow Times](#)

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Billionaire Mikhail Fridman's Altimo has secured a \$3.2 billion loan from Sberbank, part of which will be used to pay for a share conversion of telecom firm VimpelCom's stock, a U.S. regulatory filing disclosed.

Altimo said in December that it would convert its preferred shares in VimpelCom into common shares in a move to raise its economic interest in the group. Under the deal it converted 128 million convertible preferred shares at a ratio of one preferred share for one common share, it was previously disclosed.

As a result, Altimo's economic interest in VimpelCom increased to 56.2 percent from 52.7 percent, while its voting stake of 47.9 percent remained unchanged, it was previously disclosed. Altimo paid \$1.4 billion for the conversion.

The premium was paid because, unlike usual practice, VimpelCom's preferred shares do not have rights to dividends but are entitled to vote. They may be converted into ordinary shares, which have equal voting rights but also receive dividends, any time between 2 1/2 years

and five years after their issuance at a price based on VimpelCom's NYSE share price.

According to a filing with the U.S. Securities and Exchange Commission on Tuesday, Altimco secured a three-tranche loan, part of which will be used for the conversion of the preferred shares. Part of Altimco's stake in VimpelCom will be used as collateral for the loan.

The filing did not state what the remainder of the loan would be used for.

Altimco earlier in April launched an offer to buy out minority shareholders in Egypt's Orascom Telecom for about \$1.8 billion. Cairo-based Orascom Telecom, a heavyweight on the Egyptian Stock Exchange, is controlled by VimpelCom, which together with subsidiaries owns 51.92 percent.

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