

VTB to Finalize Partner for Tele2 Stake

By [The Moscow Times](#)

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☒VTB could sell a stake in its mobile operator Tele2 over the next few weeks, a news report said Wednesday.

The buyer will be a consortium of investors led by Yury Kovalchuk's ABR-Management, Vedomosti reported.

That company could enlist lender Gazprombank and oil producer Surgutneftegaz as partners, the report said.

Tele2 is the country's fourth-largest mobile operator, holding licenses in 43 regions. It had more than 23 million subscribers as of the end of this year's second quarter.

VTB acquired Tele2 Russia from Sweden's Tele2 for \$2.4 billion in April, saying at the time it was going to look for a partner to develop the asset.

With the consortium as a shareholder, Tele2 will set up a joint venture with state telecoms

company Rostelecom, Vedomosti said. Consultants hired by Rostelecom advised the state operator to seek a controlling stake in the venture, the report said.

Tele2 has been growing at a faster pace than the big three leading mobile operators, owing to its 'discounter' strategy, said Timur Nigmatullin, an analyst at Investcafe, in a research note Wednesday. Its number of subscribers grew 7.4 percent in the year's first half.

"There is reason to believe that, thanks to its successful pricing policy, Tele2 Russia will continue a buildup of its subscriber base at a similar pace through the end of the year," Nigmatullin said.

That spectacular growth could, however, slow down in the next two or three years because the company doesn't have licenses to provide 3G and 4G services, he said.

✘ Following its exclusion from a state-run tender for 4G frequencies, Tele2 sold its Russian unit to VTB.

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