

# Norway's Telenor Puts \$2.3 Billion Vimpelcom Stake Up for Sale

By [The Moscow Times](#)

October 05, 2015



Telenor said it would book a non-cash impairment of about 7.5 billion crowns (\$897 million) in the third quarter as a result of the announcement.

Norwegian telecoms firm Telenor wants to sell its 33 percent stake in VimpelCom, currently valued at \$2.3 billion, the latest move by a Nordic telecoms firm to sever ties with a business facing a bribery investigation.

Last month Swedish telecoms company TeliaSonera said it would leave seven nations in Asia and eastern Europe after years of probes into alleged corruption linked to local partners and problems accessing cash.

VimpelCom faces scrutiny from authorities in the United States and in the Netherlands in relation to a bribery investigation launched in March 2014 into its operations in Uzbekistan — one of the countries TeliaSonera is quitting.

Telenor has also been in open conflict with VimpelCom's other major shareholder, Russian billionaire Mikhail Fridman, over control of the company and its strategy, to the point where it became a diplomatic issue between Oslo and Moscow.

"As the new chief executive I was asked to hold a review of our strategic positions. We concluded that we're no longer served by holding a minority position in VimpelCom," Telenor CEO Sigve Brekke said.

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"We now wish to use our energy and financial resources to focus on our core markets. That's our 13 markets in Asia, the Nordics and in central eastern Europe," added Brekke.

Shares in Telenor traded 1.9 percent higher by 0755 GMT, lagging a 2.5 percent rise in the Norwegian benchmark index.

## **Lost Value**

VimpelCom's shares have lost 72 percent of their value in the past five years.

Despite the sharp fall, Telenor argued it had still made a good long-term return on its investments, which began some 17 years ago in the Russian and Ukrainian companies that eventually became part of the enlarged VimpelCom.

"We've seen an annual return on investment of more than 18 percent," Brekke said. He said the firm had not been in touch with any potential buyers and that there was no time pressure to sell.

Brekke took over as CEO from Jon Fredrik Baksaas less than two months ago after leading Telenor's fast-growing operations in Asia.

It was under Baksaas that Telenor bought into VimpelCom and grew its stake to 33 percent and 43 percent of voting rights — never enough to fully control the company. Fridman and his LetterOne fund has 47.9 percent of voting rights.

"It's positive that they want to sell the VimpelCom stake, it raises the likelihood of increased dividends from Telenor, but it's not such a great time to sell," Swedbank analyst Stefan Ward said.

"On the other hand they've not set a deadline," he added.

VimpelCom, with a stock listing in New York and headquarters in Amsterdam, has over 222 million customers overall across Russia, Italy and a dozen emerging markets.

It is under investigation from authorities in the United States and the Netherlands over allegations that it paid bribes to access the Uzbek market. Last December Telenor's then chief executive stepped down from the VimpelCom board after it emerged VimpelCom was under investigation.

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