
ArmenTel's shares to belong to Russian holding systema & Armenian-Indian consortium.

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YEREVAN, July 24. /ARKA/. ArmenTel's shares are to belong to Russian holding Systema and international consortium established by VTEL Holdings and Knightsbridge Associates. ComNews reports referring to a source close to negotiation and tendering processes said the Russian company would take cable telephone system over while Indian-Armenian consortium will set control over mobile communication system. The Russian company Director on Public Relations Irina Potekhina neither confirmed nor denied the information. She said the tender results would be announced in the beginning of August. Systema Company started negotiating on ArmenTel purchase yet in early 2006, before tender was announced. "Already having arrangement with Greeks, Systema lobbied its interests at the highest level, in Armenian government, and secure the same backing in Moscow", ComNews reports referring to the source.

OTE Greek Company announced the international tender already knowing the buyer, ComNews says. More than ten companies, including German Deutsche Telekom, Norwegian Telenor, Swedish TeliaSonera and Tele2as well as Russian CBOSS took part in the contest. Vimpelcom, a merger comprising two companies Emirates Telecommunications Corporation and Istithmar (one of Russian Synterra co-owner) - took a lead over its rivals. All the mentioned companies were included in shortlist. ArmenTel, Armenia Telephone Company, enjoys is the sole Internet service provider. The company has enjoyed the monopolist right since 1998. The term of enjoying this right expires in 2013. The company belongs to Greek OTE, who acquired 90% of ArmenTel's shares in 1997 for \$142.47 million. The remaining 10% belong to Armenian government. ArmenTel served over 328.6 thousand mobile communication subscribers by late March 2006. The same number of subscribers was served by K Telecom, the second mobile communication provider. ArmenTel also provide cable phone services to 600 thousand subscribers. The company's earning for 2005 totaled \$145.3 million and net profit \$55.9 million. M.V.
