

Message

From: Jon Levin [jlevin@fasken.com]
Sent: 8/15/2014 6:44:27 PM
To: Babcock, Ben [Ben.Babcock@morganstanley.com]; De Alba, Gabriel [gdealba@catcapital.com]
Subject: RE: Re:

Assuming he is now asleep, tomorrow should be good enough. If we were to accept two plus one, I wonder if we would get a covenant that would say they would act reasonably in considering any further extension necessary due to government delay.

-----Original Message-----

From: Babcock, Ben [mailto:Ben.Babcock@morganstanley.com]
 Sent: August-15-14 6:41 PM
 To: 'gdealba@catcapital.com'; Jon Levin
 Subject: Re:

Should we go back to Felix with this or sleep on it?

Ben Babcock
 Managing Director
 Morgan Stanley
 c. +1 647-825-8460 or +44 789 4417866
 o. +1 416 943-8464 or +44 20 7425 0021

----- Original Message -----

From: De Alba, Gabriel [mailto:gdealba@catcapital.com]
 Sent: Friday, August 15, 2014 06:23 PM
 To: Babcock, Ben (IBD); 'jlevin@fasken.com' <jlevin@fasken.com>
 Subject: Re:

That is correct, otherwise they will just be slow filing stuff..

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
 From: Babcock, Ben
 Sent: Friday, August 15, 2014 6:21 PM
 To: De Alba, Gabriel; 'jlevin@fasken.com'
 Subject: Re:

To even think about 2 + 1. When the clock starts is very relevant. Shouldn't be signing but when submission made.

Ben Babcock
 Managing Director
 Morgan Stanley
 c. +1 647-825-8460 or +44 789 4417866
 o. +1 416 943-8464 or +44 20 7425 0021

----- Original Message -----

From: De Alba, Gabriel [mailto:gdealba@catcapital.com]
 Sent: Friday, August 15, 2014 06:15 PM
 To: Jon Levin <jlevin@fasken.com>; Babcock, Ben (IBD)
 Subject: Re:

I like reminding them that this is a \$100mm impact for 2014...on the other hand they might have to fund at least \$15mm as required under the loan agreement plus keep on funding losses.

I really do not want to be in a position of all or nothing after 2 months having "extension" risk.

The process requires 12 weeks, August is coming to an end and is a very low productivity period at the government..also they also need to file docs as they are the license/ spectrum holder...

Sent from my BlackBerry 10 smartphone on the Rogers network.

Original Message
 From: Jon Levin
 Sent: Friday, August 15, 2014 6:02 PM
 To: De Alba, Gabriel; 'Babcock, Ben'
 Subject: RE: Fw:

I think \$100MM is a pretty significant lever. Thus, if we accept the 2 months plus one deal, they will have great pressure to extend in any event since the impact on earnings is significant if they can get a 2014 deal and we will be their only chance to do that. If we hold out for something longer, the practical reality is that we are still likely their best shot at the \$100MM so they should blink. Perhaps Ben should push back by asking if they have considered the income statement benefit to keeping us at the table. It is unlikely that Videotron could close faster and likely they would be slower than we, possibly even so slow as to be a 2015 event.

-----Original Message-----

From: De Alba, Gabriel [mailto:gdealba@catcapital.com]
Sent: August-15-14 6:00 PM
To: 'Babcock, Ben'; Jon Levin
Subject: RE: Fw:

Even \$100mm is not an insignificant number when suffering all other write-downs/ losses

Gabriel de Alba
Managing Director and Partner
The Catalyst Capital Group Inc.
Ph: 416.945.3020
Cell: 416.276.1377
Cell US: 917.312.6701
Fax: 416.945.3060
gdealba@catcapital.com

-----Original Message-----

From: Babcock, Ben [mailto:Ben.Babcock@morganstanley.com]
Sent: August-15-14 5:57 PM
To: De Alba, Gabriel; 'jlevin@fasken.com'
Subject: Re: Fw:

Dumb moment. U are right. About 100. I was thinking asset value.

Ben Babcock
Managing Director
Morgan Stanley
c. +1 647-825-8460 or +44 789 4417866
o. +1 416 943-8464 or +44 20 7425 0021

----- Original Message -----

From: De Alba, Gabriel [mailto:gdealba@catcapital.com]
Sent: Friday, August 15, 2014 05:55 PM
To: Babcock, Ben (IBD); 'jlevin@fasken.com' <jlevin@fasken.com>
Subject: RE: Fw:

How 4300mm if the company has \$170mm debt, \$10mm to Lacavera, \$10mm advisors and other...

Gabriel de Alba
Managing Director and Partner
The Catalyst Capital Group Inc.
Ph: 416.945.3020
Cell: 416.276.1377
Cell US: 917.312.6701
Fax: 416.945.3060
gdealba@catcapital.com

-----Original Message-----

From: Babcock, Ben [mailto:Ben.Babcock@morganstanley.com]
Sent: August-15-14 5:54 PM
To: De Alba, Gabriel; 'jlevin@fasken.com'
Subject: Re: Fw:

I think a c300 gain ... They have a lot of write downs coming on Russia and Uzbekistan

Ben Babcock
Managing Director
Morgan Stanley
c. +1 647-825-8460 or +44 789 4417866
o. +1 416 943-8464 or +44 20 7425 0021

----- Original Message -----

From: De Alba, Gabriel [mailto:gdealba@catcapital.com]
Sent: Friday, August 15, 2014 05:41 PM
To: 'Jon Levin' <jlevin@fasken.com>; Babcock, Ben (IBD)
Subject: RE: Fw:

I would think a \$100mm+ gain as they have the investment written down to ZIPO..interesting angle to explore Jon.)

Gabriel de Alba
Managing Director and Partner
The Catalyst Capital Group Inc.
Ph: 416.945.3020
Cell: 416.276.1377
Cell US: 917.312.6701
Fax: 416.945.3060
gdealba@catcapital.com

-----Original Message-----

From: Jon Levin [mailto:jlevin@fasken.com]
Sent: August-15-14 5:39 PM
To: Babcock, Ben
Cc: De Alba, Gabriel
Subject: Re: Fw:

What are the income statement implications to VimpelCom if we buy by year end?

Jon Levin
Fasken Martineau DuMoulin LLP
Barristers & Solicitors
Patent & Trade-mark Agents

Tel: 416 865 4401
Fax: 416 364 7813
www.fasken.com

333 Bay Street, suite 2400
Bay Adelaide Centre, Box 20
Toronto ON M5H 2T6
Canada

On Aug 15, 2014, at 5:16 PM, "Babcock, Ben" <Ben.Babcock@morganstanley.com> wrote:

See below.

Ben Babcock
Managing Director
Morgan Stanley
c. +1 647-825-8460 or +44 789 4417866
o. +1 416 943-8464 or +44 20 7425 0021

----- Original Message -----

From: Babcock, Ben (IBD)
Sent: Friday, August 15, 2014 05:14 PM
To: 'felix.saratovsky@vimpelcom.com' <felix.saratovsky@vimpelcom.com>
Subject: Re:

I will ask but I do not have high expectations and struggle to recommend it in the circumstances.

Ben Babcock
Managing Director
Morgan Stanley
c. +1 647-825-8460 or +44 789 4417866
o. +1 416 943-8464 or +44 20 7425 0021

----- Original Message -----

From: Saratovsky, Felix [mailto:Felix.Saratovsky@vimpelcom.com]
Sent: Friday, August 15, 2014 04:14 PM
To: Babcock, Ben (IBD)

Subject: Re:

Ben, I'm blindingly aware of the trust issue. The chairman undercut his deal team so I have a bigger trust issue to deal with internally. I am asking you as someone I trust whether 2+1 is worth a shot. If not then I won't even raise it with Alexey. I wouldn't even suggest it if I thought that this was an unrealistic timeframe and I have been intimately involved in the regulatory system so I have a decent basis for thinking so.

Sent from my iPhone

> On Aug 15, 2014, at 10:07 PM, "Babcock, Ben" <Ben.Babcock@morganstanley.com> wrote:

>
> I think u are missing how unrealistic this is becoming and how hard it is to build trust the way this has played out where the Chairman is micro managing what was negotiated in good faith.

>
> I can ask but sincerely doubt that is acceptable. No serious buyer would accept this.

>
> Ben Babcock
> Managing Director
> Morgan Stanley
> c. +1 647-825-8460 or +44 789 4417866
> o. +1 416 943-8464 or +44 20 7425 0021

>
> ----- Original Message -----

> From: Saratovsky, Felix [mailto:Felix.Saratovsky@vimpelcom.com]
> Sent: Friday, August 15, 2014 03:58 PM
> To: Babcock, Ben (IBD)
> Subject: Re:

>
> The spectrum transfer framework says that govt will work to review transfers in 12 weeks. We have had direct strong statements from both the political branch and bureaucratic branch they they will work to review faster and review on a priority basis. The pace of review and outcome will in large part depend on the quality of the info C provides. VIP has no influence on the process. So Alexey is concerned that C can change its mind and indirectly influence the process. I don't believe that this will happen any more than anyone on C's side should believe that we will shop the deal while we are under an SPA. So maybe we can convince our principals to a 2 month period plus one month extension to coincide with the 12 week review standard. I can give another shot at convincing Alexey that this makes sense but it's futile to try for more at this stage.

>
> Sent from my iPhone

>
>> On Aug 15, 2014, at 9:29 PM, "Babcock, Ben" <Ben.Babcock@morganstanley.com> wrote:

>>
>> 2 months is really non sensical. Nobody in their right mind would do this. On top of many things, it undermines credibility of everyone in trying to get a deal done. Our proposal gives u protection if govt is sending signals it won't approve. Given what has gone on it is hard to have confidence in commercially rationale behaviour at the end of 2 months on top of everything else.

>>
>> Ben Babcock
>> Managing Director
>> Morgan Stanley
>> c. +1 647-825-8460 or +44 789 4417866 o. +1 416 943-8464 or +44 20
>> 7425 0021

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