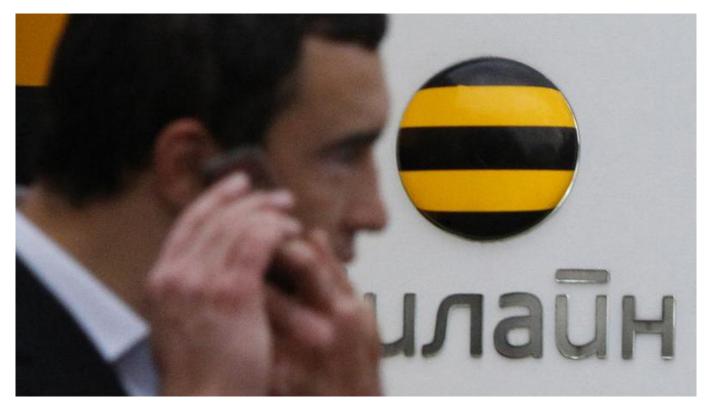


Telenor Forced to Sell Stake in Vimpelcom Mobile Operator on Open Stock Exchange

No buyer has yet been found for Vimpelcom Ltd, which owns Russian mobile operator Beeline.

By Oleg Salmanov, Yelizaveta Sergina, and Igor Tsukanov

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A man speaks on the phone near an office of Beeline, the brand owned by mobile phone operator Vimpelcom, in Moscow. **Maxim Shemetov / Reuters**

Norwegian⊠telecommunications company Telenor is to sell its 33 percent stake in⊠Vimpelcom Ltd, the company behind Russian mobile phone operator⊠Beeline.

Beeline is one of the⊠two largest networks i n the⊠country, with some 60⊠million Russian users.

Telenor⊠is currently searching for investors, but will sell its shares on the⊠London Stock Exchange at lower prices if it remains unable to find a⊠buyer by the end of September, British trade publication TMT Finance⊠reported.

The⊠Norwegian firm hopes to raise at least \$2.3 billion from the stock⊠market sale, and have appointed Morgan Stanley and JP Morgan to⊠coordinate the deal.

The**Z**shares have been estimated to cost \$3.96 each, although shares had**Z**appreciated 3 percent to \$4.08 on the NASDAQ lat Friday.

Telenor**B**first announced that it would sell its stake in Vimpelcom**B**on Oct. 5, 2015, describing the company as a "problematic asset."**B**The company has been so far unable to find a single buyer for its 33**B**percent share as the stake is too small to give the owner sufficient**B**rights or influence over Vimpelcom, one source at Telenor said.

The second-largest⊠shareholder in Vimpelcom, the LetterOne company — owned by Mikhail Friedman, German Khan,⊠and Alexei Kuzmichev holds the preemptive right to purchase the⊠Telenor stake. The company has already⊠announced that it does not plan to increase its stake in Vimpelcom,⊠ and has even taken⊠measures to ensure that it does not end up with a controlling⊠interest in the firm.

Shares are usually sold⊠at a discount in these kinds of stock market transactions, said⊠Otkritie FC Bank analyst Alexander Vengranovich. Telenor could be⊠counting on an upcoming Vimpelcom deal in Italy to boost the value of⊠the shares, Vengranovich said.

The European Commission has announced that it is prepared to approve a deal which would see Vimpelcom's mobile perator Wind – the third largest network in Italy – merge with the country's fourth-largest operator, Three. The proposal would create Italy's largest mobile operator in terms of subscribers. If that merger takes place, Vimpelcom's net debt will fall drastically, from \$6.4 billion as of March 2016, to an estimated \$1.7 billion.

By selling its Vimpelcom stake, Telenor will increase the liquidity of its securities, said Raiffeisenbank analyst Sergei Libin. Market conditions are favorable now for the sale of securities, and the move will increase the company's chances of boosting a number of key indicators, he said.

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