



Jan Edvard Thygesen

Executive Vice President

Head of Eastern & Central Europe Mobile

About Telenor

- One of the world's 12 largest GSM operators with more than 74.5 million mobile subscribers worldwide
- Largest consolidated mobile operations:

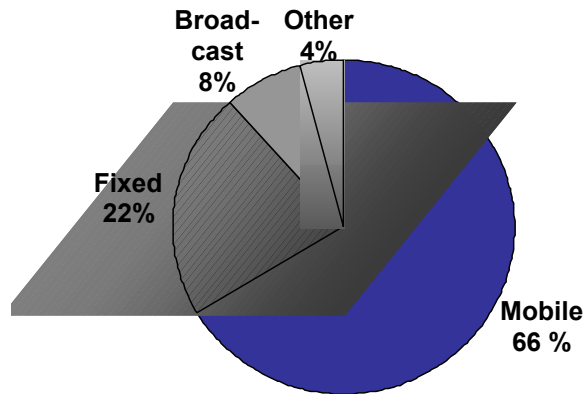
| Subscribers | |
|--------------------------|-----------|
| Kyivstar, Ukraine | 14.0 mill |
| DTAC | 8.2 mill |
| DiGi.Com, Malaysia | 4.2 mill |
| GrameenPhone, Bangladesh | 6.0 mill |
| Pannon GSM, Hungary | 2.9 mill |
| Telenor Mobil, Norway | 2.7 mill |
| Telenor Pakistan | 2.0 mill |
| Sonofon, Denmark | 1.3 mill |

- Norway's leading telecommunications company
- Largest provider of TV services to the Nordic market
- Total workforce: 23,400 people (12,400 in Norway)

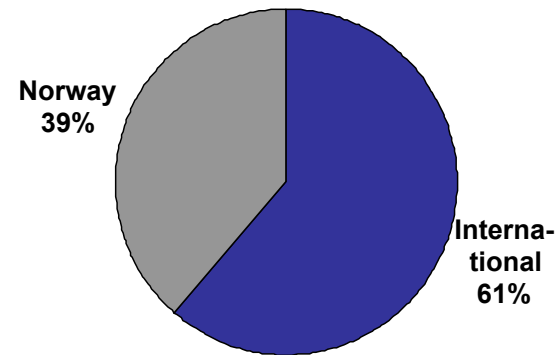


Telenor at a glance

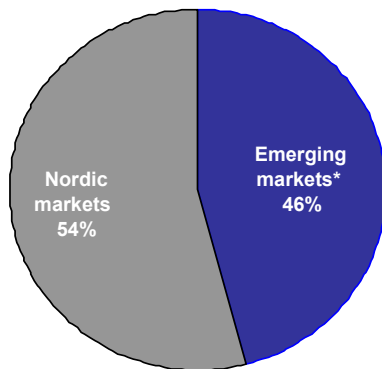
Business Units (SOTP Q305)



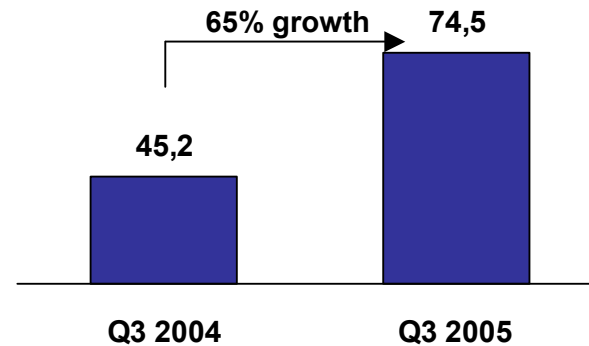
Geographical Dist (SOTP Q305)



Nordic vs Emerging Markets (SOTP Q305)



Subscribers Growth (100% mobile subs)



5 years as a listed company

Our objective is to give shareholders a long-term return on their investment that is at least equal to alternative investments with a corresponding risk profile

Listed Dec 4, 2000 on Oslo Stock Exchange and Nasdaq in New York

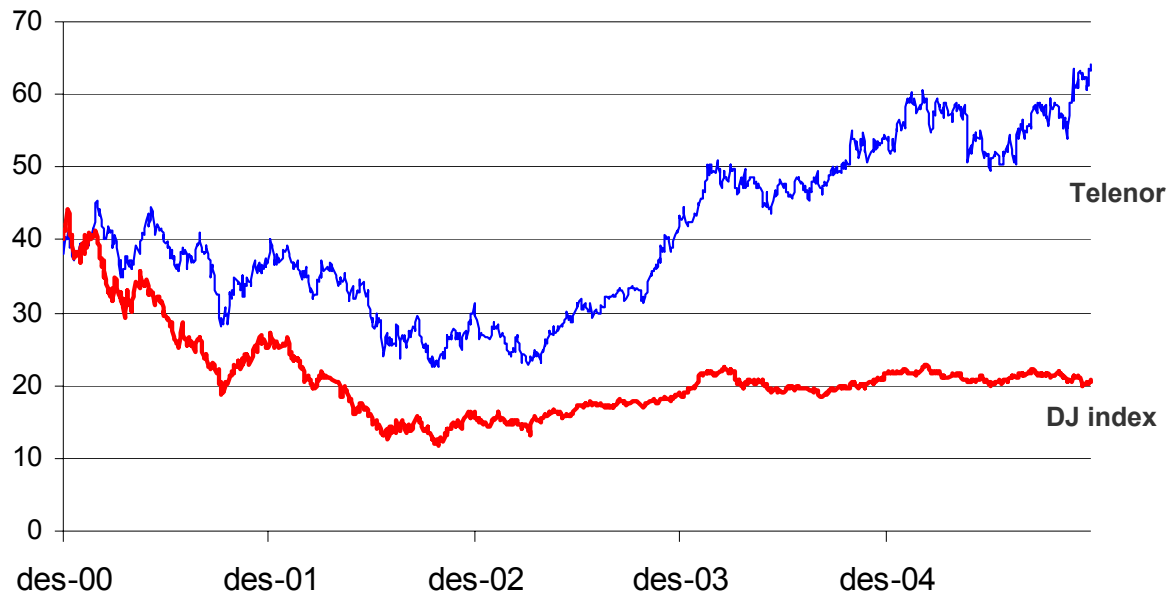
Ownership profile:

- State ownership share 54.0%
- Portion of free-floating shares outside Norway 70.0%
- Total number of shareholders 45,000



Share price and market value 2000 – 2005

(Telenor market value in USDm)



Value
Dec. 2000:
10,444 USDm

Value
Dec. 2005
16,000 USDm



Our mobile operations today

Norway
Telenor Mobil **100%**

Denmark
Sonofon **100%**

Ukraine
Kyivstar **56,5%**

Hungary
Pannon **100%**

Malaysia
DiGi **61,0%**

Bangladesh
GrameenPhone **62,0%**

Pakistan
Telenor Pakistan **100%**

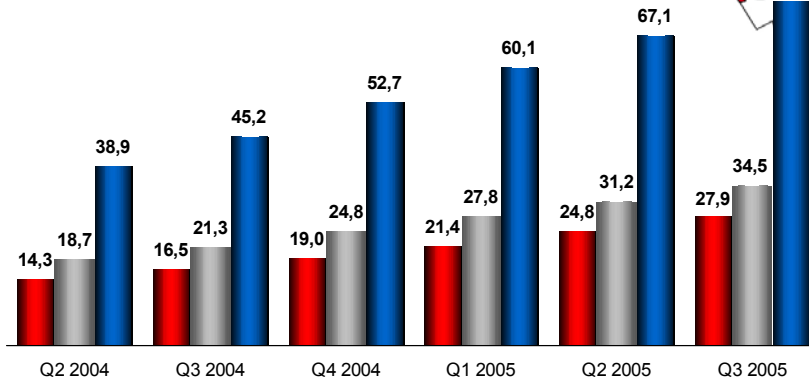
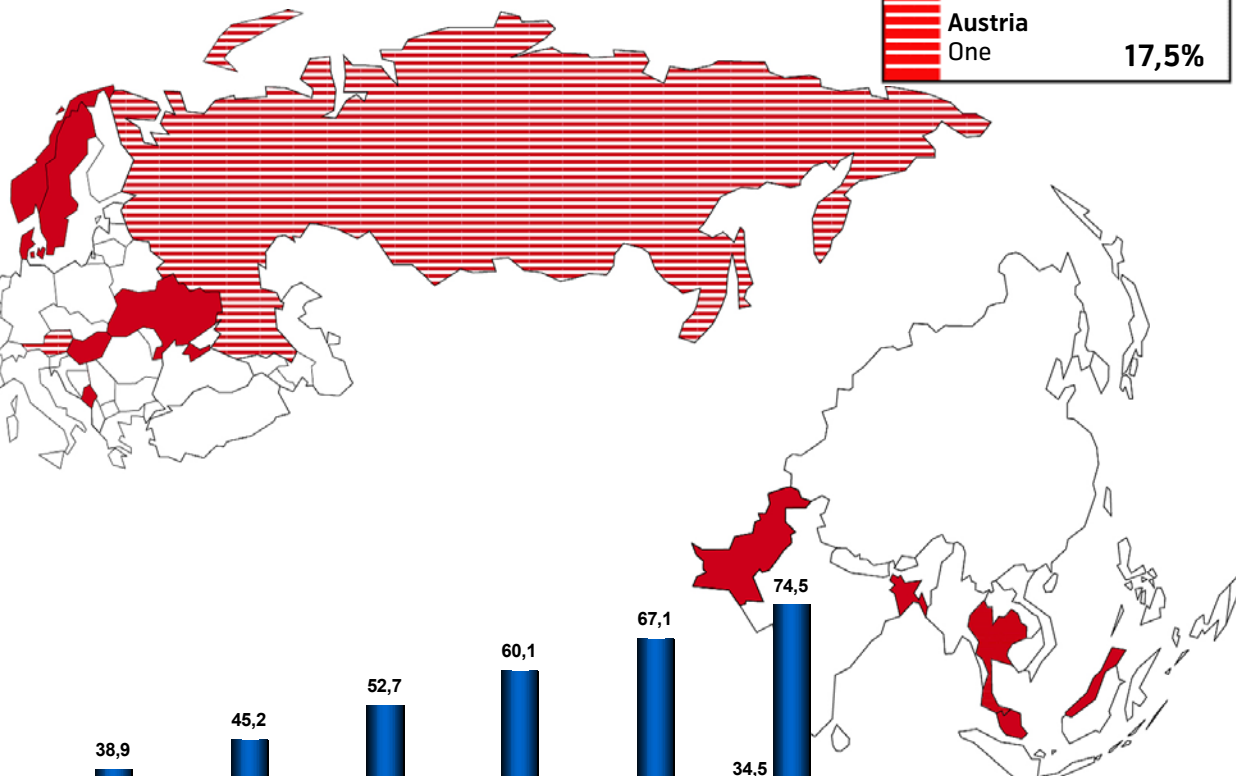
Montenegro
ProMonte **100%**

Sweden
Telenor Mobile **100%**

Thailand
DTAC * **69.3%**

Russia
VimpelCom **29,9%**

Austria
One **17,5%**



Subscription figures in millions

- Total Consolidated
- Total Pro Rata
- 100% figures (all companies)

* Economic exposure

Strategic focus

- **Develop Telenor's already strong market position in the Nordic region**
- **Seek opportunities in emerging markets in Europe and Asia**
- **Focus on long-term industrial investments**
- **Pursue global coordination, the sharing of best practices and risk management**



Telenor Operational Priorities: Russia

- Improved corporate governance and transparency
- Russia's mature market requires revenue growth not subscriber growth
- Operational excellence, segmentation, customer retention, pricing, new services
- Procurement processes in line with international best practices
- Integration with CIS businesses
- Better M&A decision-making process

Telenor in Russia: Long-term commitment

Telenor's position in Russia

- Telenor is the largest foreign investor in the Russian telecom sector with total current value of \$3.0bn
- Current assets:
 - 26.6% voting/29.9% economic in VimpelCom
 - 20.3% in Golden Telecom
- Telenor was one of the first foreign companies to invest in Russia after the 1998 crisis, increasing its Russian exposure

Telenor track record in Russia since 1992

-
- | | | |
|------|---|--|
| 1992 | - | Invested c. \$0.2mm for 50% of Kola Telecom (Corporate telecom in Murmansk) |
| 1994 | - | Invested \$2mm for 12.74% of North-West GSM |
| 1996 | - | First Telenor representative office opened in St. Petersburg |
| 1997 | - | Invested \$6mm for 49% of StavTeleSot (GSM in Stavropol) |
| | - | Invested c. \$2mm for 49% of Extel (GSM in Kaliningrad) |
| 1998 | - | Invested \$162mm for 30% economic/25% +1 voting of VimpelCom |
| | - | Representative office moved from St. Petersburg to Moscow |
| 1999 | - | Invested \$52mm in new shares of VimpelCom |
| 2000 | - | Invested \$120mm for 75% of shares in Comincom |
| 2001 | - | Invested \$26mm in new shares of VimpelCom |
| 2002 | - | Invested \$59mm in VimpelCom-Region |
| | - | Sold 49% in Extel to VimpelCom Region for \$10mm |
| 2003 | - | Invested \$30mm to acquire remaining 25% +1 of Comincom and contributed 100% of Comincom to Golden Telecom for a 20.4% stake |
| | - | Sold 49% in StavTeleSot to VimpelCom Region for \$21mm |
| 2004 | - | Participated in \$950mm merger of VimpelCom-Region into VimpelCom |
-

URS WellCom: A bad deal for VimpelCom and its shareholders

VimpelCom paid too much for URS based on the following facts:

- Mobile penetration is already well over 60% in Ukraine; that combined with being the 4th operator has never been successful
- To get the stated market share of 12%, URS WellCom must have 40% of net ads in the coming years
- URS WellCom's marginal ARPU is estimated to be approx. US\$4-5
- URS WellCom's EBITDA margin is unlikely to exceed 25-30% in the long term
- Substantially higher capex would be required (US\$800m – US\$1bn) to create a network on par with other Ukrainian competitors
- VimpelCom's management has assumed an overwhelmingly optimistic EBITDA margin (45%) and unsustainable low capex in the terminal year (2010) and, consequently, significantly grossed up the valuation



VimpelCom and Alfa's violations of Russian law and the Company's Charter:

1. Circumventing minority shareholder protections in the company's Charter
2. Convening a shareholders meeting in violation of Russian law
3. Completing the URS acquisition without supermajority Board approval
4. Misleading and withholding information from shareholders concerning material terms of the URS acquisition:
 - The purchase agreement
 - The identities of URS's beneficial owners
 - Who received the sales proceeds

Lawsuits

Telenor has commenced three lawsuits in the Moscow Arbitration Court:

1. To invalidate the decision of VimpelCom's September 14, 2005 extraordinary general meeting (EGM), since it was convened in violation of Russian law
2. To unwind the URS acquisition on the basis that it was completed in violation of Russian law
3. To invalidate the decision to complete the URS transaction taken by VimpelCom's General Director, Alexander Izosimov, without approval of the Board of Directors, which is in violation of Russian law and VimpelCom's Charter

Telenor's corporate principles

1. To be a successful, profitable and growing enterprise, VimpelCom must be governed by the rule of law and management must comply with VimpelCom's Charter and Russian law
2. VimpelCom must return to its tradition of good corporate governance and complete transparency
3. VimpelCom's management must make sensible economic decisions based on market realities – and not overpay for assets just for the sake of growth

Thanks for your attention!



Appendix

URS WellCom has been an unsuccessful start-up business for several years

URS WellCom's financial performance

| | 2002 | 2003 | 2004 | Source |
|----------------------------|-------------|----------------|---------------|--|
| ARPU | 9.8 | 7.6 | 6.9 | Telenor's own calculation, based on historic revenue and subscription figures |
| Market share | 1.0% | 0.6% | 0.4% | EMC |
| Subscribers (000) | 36.0 | 40.0 | 48.2 | EMC |
| Revenue (US\$mm) | 4.1 | 3.5 | 3.6 | D&B: Business Information Report |
| <i>% growth</i> | <i>N/A</i> | <i>(15.4)%</i> | <i>4.6%</i> | |
| EBITDA (US\$mm) | N/A | N/A | N/A | |
| <i>EBITDA margin</i> | <i>N/A</i> | <i>N/A</i> | <i>N/A</i> | |
| Capex (US\$mm) | N/A | N/A | 15.1 | D&B: Business Information Report |
| <i>Capex as % of sales</i> | <i>N/A</i> | <i>N/A</i> | <i>413.6%</i> | |

URS WellCom's main assets are its GSM 900 and 1800 licences¹

¹ The ownership of the GSM 1800 licence is still uncertain

Telenor's overview of fourth entrant mobile network operators

Comments*

- No other fourth entrant operator has delivered positive returns in the nine markets, despite several years of operation and good GDP, profitability and penetration
- Only three operators have reached cash flow break-even:
 - tele.ring Austria—niche market positioning with 81% post-paid customer base and ARPU of c.€40¹
 - T-Mobile UK—start-up when penetration was below 10% (not really a fourth entrant), regulatory environment open to competition
 - O2 Germany—start-up when penetration was below 20%, just reached break-even in the largest market in Western Europe after six years of operation
- Max EBITDA margin of 23.4% experienced by T-Mobile UK

Benchmarking of fourth entrant experiences (2004)

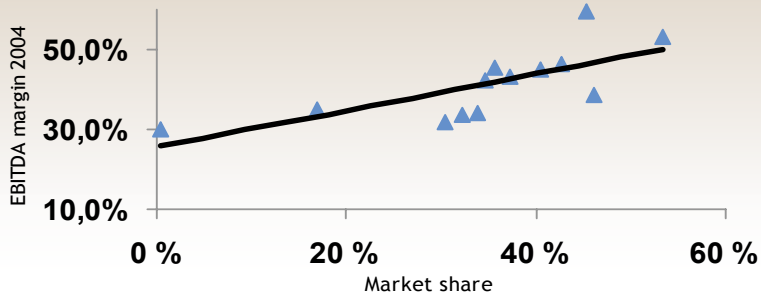
| Country | Pop (mm) | GDP per capita at PPP (US\$) | Market ARPU 4Q2004 | Asset | Status | Years since launch | Penetration at launch | Penetration 2004YE | Market share | Q4 2004 EBITDA | Market EBITDA margin FY2004 | Cash Flow generation |
|-------------|----------|------------------------------|--------------------|---------------|----------------|--------------------|-----------------------|--------------------|--------------|----------------|-----------------------------|----------------------|
| Argentina | 39 | 12,960 | 15 | CTI Movil | Operating | 6 | 12.0% | 39.2% | 27.7% | Neg. | 9.6% | Neg. |
| Austria | 8 | 30,630 | 28 | tele.ring | Operating | 4 | 75.3% | 95.5% | 11.3% | 18.6% | 26.6% | Pos. |
| Chile | 15 | 11,720 | 15 | Smartcom | Operating | 4 | 23.3% | 62.0% | 16.1% | N/A | 31.5% | Neg. |
| Denmark | 5 | 31,100 | 34 | Telia Denmark | Acquired No. 3 | 7 | 27.4% | 95.1% | 22.2% | 2.4% | 14.6% | Neg. |
| Germany | 83 | 27,230 | 20 | O2 | Operating | 6 | 16.9% | 85.7% | 10.4% | 18.4% | 39.3% | Break-even |
| Italy | 58 | 26,980 | 22 | Blu | Bankrupt | 2 | 68.0% | 92.2% | 3.6% | Neg. | 45.4% | Neg. |
| Netherlands | 16 | 30,130 | 24 | T-Mobile | Operating | 6 | 21.7% | 93.0% | 14.1% | 15.4% | 27.8% | N/A |
| Pakistan | 154 | 2,230 | 12 | Ufone (PTML) | Operating | 1 | 0.2% | 5.3% | 10.0% | Neg. | 44.0% | Neg. |
| UK | 60 | 30,400 | 42 | T-Mobile | Operating | 11 | 9.9% | 99.5% | 25.3% | 23.4% | 30.0% | Pos. |
| Ukraine | 47 | 6,380 | 12 | WellCom | Operating | 4 | 0.3% | 27.2% | 0.4% | Neg. | 56.3% | Neg. |

*Source: Company information and broker reports.
Note: Analysis does not include US and Hong Kong.

¹ Recently sold to no.2 Austrian T-Mobile

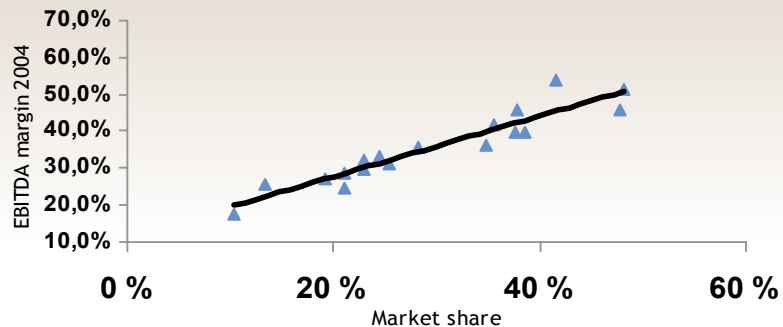
In Telenor's view, URS WellCom's EBITDA margin is unlikely to exceed 25 - 30% even in the long-term

Emerging markets*



*Source: Broker reports

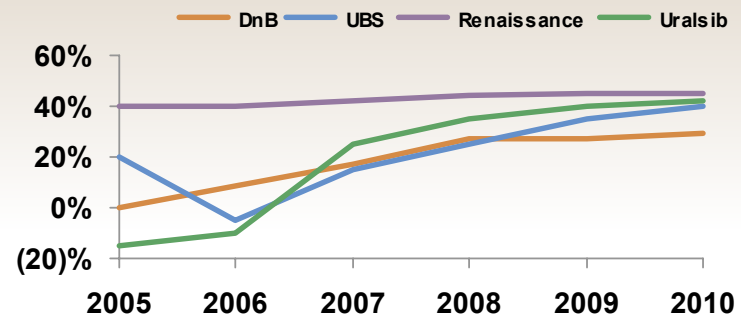
Western Europe*



*Source: Broker reports

- Key considerations for Ukrainian market:
 - Costly to attract customers because of fierce competition
 - Two overwhelmingly strong operators
 - Pressure on margins when market matures
- Benchmarks for EBITDA vs. market share support an estimated EBITDA margin for URS WellCom of at best 30%

Analysts' estimates of URS WellCom's EBITDA margin development*



*Source: Broker reports

Telenor believes the US\$231.3m purchase price for URS WellCom cannot be justified

In Telenor's view:

- **Ukrainian mobile penetration has already well passed 60%**
 - Given the low GDP per capita in Ukraine, the market is expected to mature in the next two years
- **URS WellCom's market share is unlikely to exceed 12%**
 - The five operator Ukrainian mobile market is highly competitive, and to reach 12% market share URS WellCom needs to take a significant proportion of new subscribers
- **URS WellCom's marginal ARPU is estimated to be approx. US\$4-5**
 - Anticipated decline in URS WellCom's ARPU is supported by ARPU trends in Ukraine and penetration vs. ARPU benchmarking from other markets
 - High ARPU customers in Ukraine are already taken and are costly to acquire
- **URS WellCom's EBITDA margin is unlikely to exceed 25-30% in the long term**
 - This estimate takes into account the experience from other markets, and the relationship between market share and EBITDA margin (25-30%) of third/fourth entrant operators
 - This estimate reflects an opex/customer ratio equal to that of Kyivstar, which is a highly optimistic assumption for a fourth operator
- **Substantially higher capex would be required (US\$800m –US\$1bn) to create a network on par with other Ukrainian competitors**

Management has assumed an overwhelmingly optimistic EBITDA margin (45%) and unsustainable low capex in the terminal year (2010), and consequently, significantly grossed up the valuation.



Telenor believes URS WellCom's network rollout will require significant investment

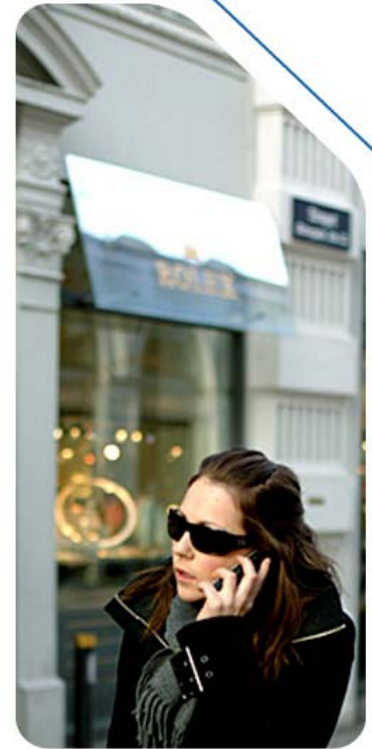
- The two leading Ukrainian operators are far ahead of URS WellCom with respect to their capital expenditures – by year-end 2005, their aggregate capital expenditure will be between US\$1.5—2.0bn each
- A minimum network roll-out for URS WellCom can only support a price leader position, which is not the position that VimpelCom is targeting
- Telenor estimates that URS WellCom would need to spend between US\$800m and US\$1bn to build a network on par with the market leaders
- DCC Turkcell has announced its intention to invest US\$1bn over the next 2 years



The majority of analysts who have valued URS WellCom believe its acquisition will harm shareholder value in VimpelCom

Comments from broker reports:

- *DnB NOR Markets 02/08/2005*: “The “independent” valuations cited by Alfa rely on long-term margins without parallels in real-world 3rd operator cases”
- *Morgan Stanley 11/11/2005*: “We continue to believe that expansion in Ukraine will be challenging and VimpelCom is likely to overspend both on capex and opex in order to build meaningful presence. VimpelCom also announced it is targeting a market share of 15% in 18-24 months time, implying roughly 6 million subscribers by the end of 2007, on our estimates. This suggests a 30% share of net additions between now and the end of 2007; we think this may prove too optimistic for a late entrant in a relatively well penetrated market with two dominant players — MTS and Kievstar.”
- *Renaissance 24/11/2005*: “The cost of getting there is, in our view, about USD650 million in cumulative investments over 2006-08. This, in our view, results in little, to no, value generated for shareholders on a DCF basis for Ukraine. This calculation disregards VimpelCom.s initial investment in URS (USD250 million), which is treated as a sunk cost in our forward Ukraine standalone calculations. However, shareholders should of course include this amount, as it came out of their pockets.”



VimpelCom's Acquisition of URS

A Timeline of Major Events

- Nov. 4, 2004 ◆ VimpelCom Board approves consideration of acquisition in Ukraine
- Dec. 15, 2004 ◆ VimpelCom Board excludes URS acquisition from 2005 budget
- Feb. 18, 2005 ◆ VimpelCom enters into an Option Agreement with URS for \$206.5 million
- Apr. 22, 2005 ◆ VimpelCom Board does not approve URS acquisition
- Jun. 14, 2005 ◆ VimpelCom Board does not approve acquisition of a minority stake in URS
- Aug. 15, 2005 ◆ VimpelCom Board does not approve a resolution to support VimpelCom's expansion into Ukraine
- Sep. 14, 2005 ◆ Alfa convenes and holds an EGM in violation of Russian law, and the URS acquisition is approved as an interested party transaction by a simple majority vote
- Sep. 16, 2005 ◆ Majority of VimpelCom Board rejected VimpelCom management's request for instructions to complete URS acquisition
- Nov. 11, 2005 ◆ VimpelCom purchases URS for US\$231.3 million, without Board approval
- Dec. 12, 2005 ◆ VimpelCom Board does not approve the 2006 budget, including US\$500 million of capex for URS
- Jan. 26, 2006 ◆ Telenor files suit claiming URS acquisition was carried out in violation of Russian law and VimpelCom's Charter