



Altimo
11 Savvinskaya nab.
Moscow 119435
Russia

Attn: Alexei Reznikovich
Chief Executive Officer

Fornebu, May 10, 2006

Dear Alexei,

We were pleased to achieve further progress during our videoconference meeting on April 27th. In particular, with regard to the separation mechanism, your agreement to our proposal that any mechanism should be transparent, symmetrical, fair to all parties, and effective from the closing of the proposed Kyivstar transaction establishes a good basis for further discussions.

We would like to follow up on two key matters: first, the key principles and rationale of our proposed structure for the separation mechanism; and second, a more detailed timetable that mirrors the parallel discussions the parties are having with VimpelCom concerning the proposed Kyivstar transaction.

1. Key Principles of Separation Mechanism

We have already highlighted that our proposed separation mechanism should be based on the following principles:

- a minimum fair market value starting point;
- a multiple round process with the highest bid winning;
- an understanding that the highest bidder would extend an offer to all minority shareholders at a price not less than the price of such bidder's winning bid (expressed on a price per share basis); and
- FAS approval is granted and remains valid.

Below we elaborate on the rationale for these key principles in more detail.

Price and process

With regard to the separation price and process, we believe achieving a full valuation in a transparent and fair process is clearly the most favorable outcome to all, including minorities. A multiple-round bidding process within a defined time-frame should enable us to achieve the highest

value that each party is able to offer in a transparent, auction-type procedure. To ensure the bona fide nature of the bidding process, we envisage that each party would be required to put up a substantial deposit in respect of its bids, as well as represent and undertake that it is bidding for its own account and not with a view to re-sell to a third party. If the winning bidder were to breach such undertaking, it would, among other things, lose its deposit.

We also appreciate that there may be other separation mechanisms, but none appear as well-suited to the current situation and agreed principles. A roulette mechanism, which you mentioned, for example, favors the non-initiating party, and can therefore act as an incentive to try to pressure the other party to trigger by creating problems around VimpelCom's business or governance, which is hardly something we wish to encourage. In addition, it is unlikely to achieve the same valuation as would result from a multi-round bid process.

Treatment of minorities

In our meeting you raised the question of whether minorities should automatically receive the same price as may be paid by Telenor or Alfa under the separation mechanism. You asked us to consider that since Alfa and Telenor effectively control VimpelCom this could justify that a premium be paid to the selling shareholder, relative to the price offered to the minority shareholders.

As we said during our meeting, we believe that minority shareholders should benefit from a full value exit opportunity at the time of any change of control (*i.e.*, same price as is paid by Alfa or Telenor), as well as have the option to remain shareholders should they choose not to sell. As you are aware, this should be the outcome under the new mandatory tender offer rules in the Joint Stock Company Law that will take effect on July 1, 2006. However, as these rules are not yet in effect, we believe an explicit agreement between Telenor and Alfa on this point is important and consistent with our agreed principle of fairness to all parties.

Trigger for the separation

One of the important issues raised at our meeting was the trigger for the separation mechanism. You asked that we consider the inclusion of triggering events, which would allow either party to invoke the separation mechanism, and by way of example you referred to possible future breaches of the VimpelCom Shareholders Agreement as potential triggering events. We have given this serious consideration, and we do not believe that such a mechanism can perform its primary role—that of ensuring proper cohabitation between shareholders and avoiding the type of issues Telenor has faced in the past—unless each party knows that the other party can require a prompt separation at any time. We believe that attaching conditions to the right to trigger would create an incentive for a party to seek to block a justifiable separation event by claiming that conditions for the exercise of such trigger have not been met. You are no doubt aware of similar situations in Russia in which parties have included such conditions and litigation or arbitration has ensued over whether the separation mechanism has been legitimately triggered.

Having said this, let me emphasize that our position on the separation agreement is not driven by a desire to trigger the separation for its own sake. We would be pleased to return to a constructive partnership, but as you are aware, we are not prepared to bring Kyivstar into VimpelCom unless the shareholder issues in Vimpelcom are permanently addressed through the establishment of a separation mechanism. We trust that you will understand why this is a necessary condition for us.

Third party approvals: shareholders and FAS

The other important issue raised in our meeting was that of third party approvals. Clearly, the minority shareholder approvals of the proposed VimpelCom/Kyivstar transaction will be aided by the implementation of the separation mechanism we are proposing, because minority shareholders will know they will be treated fairly in the event of the separation mechanism being triggered. Secondly, in relation to the required FAS approval, we expect that when Alfa and Telenor have reached an agreement on a separation mechanism, such approval will be forthcoming. For the separation mechanism to be effective, such FAS approval will need to be in place.

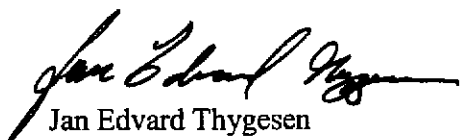
2. Timetable

Having now spent more time with VimpelCom and its advisers we have been able to develop parallel timetables for both the proposed VimpelCom/Kyivstar transaction and the separation mechanism between Alfa and Telenor. The key milestones are summarized below:

- May 24 - agreement of key terms, in time for the Vimpelcom Q1 earnings release
- Mid June - signing of term sheet
- Late June/early July - due diligence on Kyivstar
- Mid July – signing of definitive agreements
- Early September - VimpelCom road show
- Mid September - VimpelCom EGM
- November - expected closing/issuance of VimpelCom shares

In our last meeting you stated that you would wish to move quickly, as we do ourselves. Please find attached our proposed term sheet regarding the separation mechanism. We look forward to receiving your prompt feedback and we hope that we can meet shortly afterwards to continue our discussions.

Yours sincerely,



Jan Edvard Thygesen
Executive Vice President
and Head of Eastern/Central Europe