

VimpelCom

BROADBAND ANALYST FIELDTRIP

Jean-Pierre Vandromme
Executive Vice President, Russia

Samara

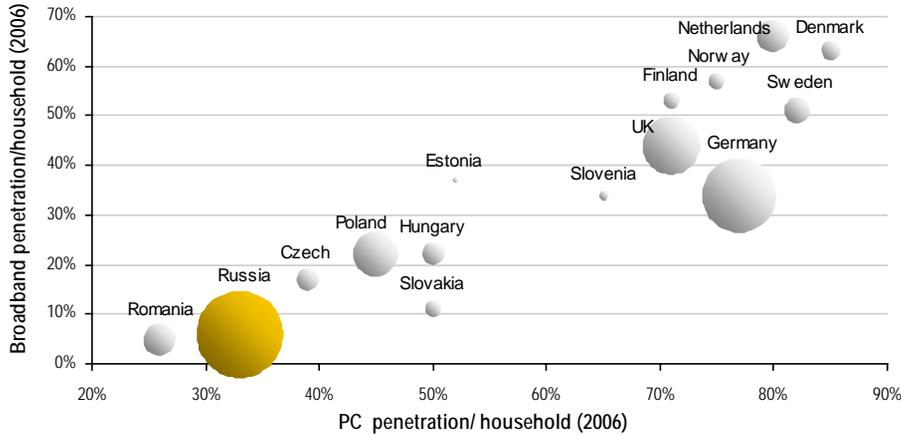
September 30, 2008



Russian Broadband Market

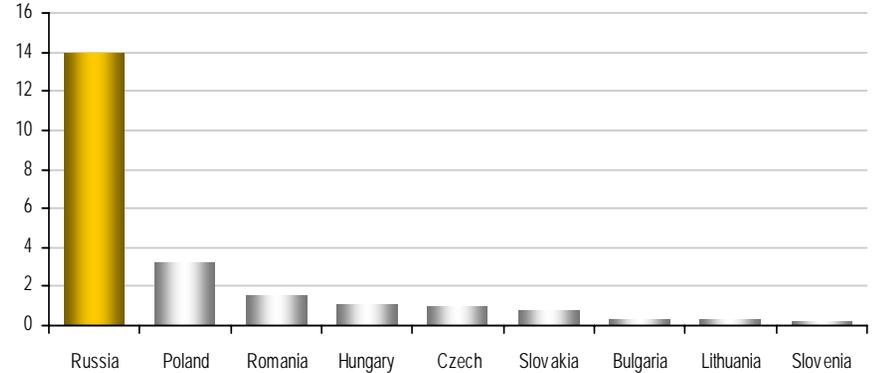


Broadband /PC Penetration



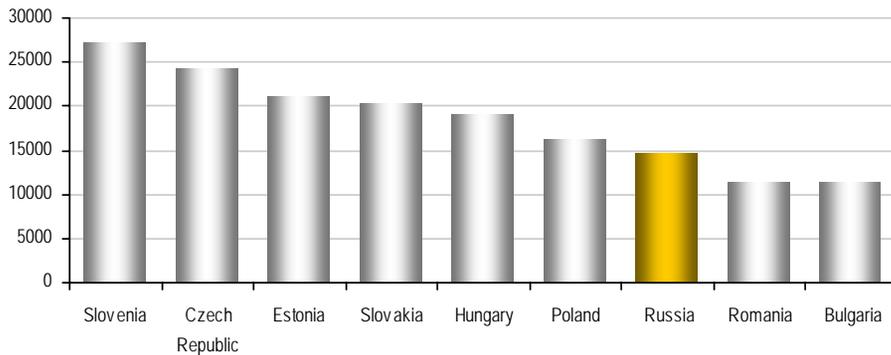
Source: HSBC

Households with PC, but without broadband (mln)



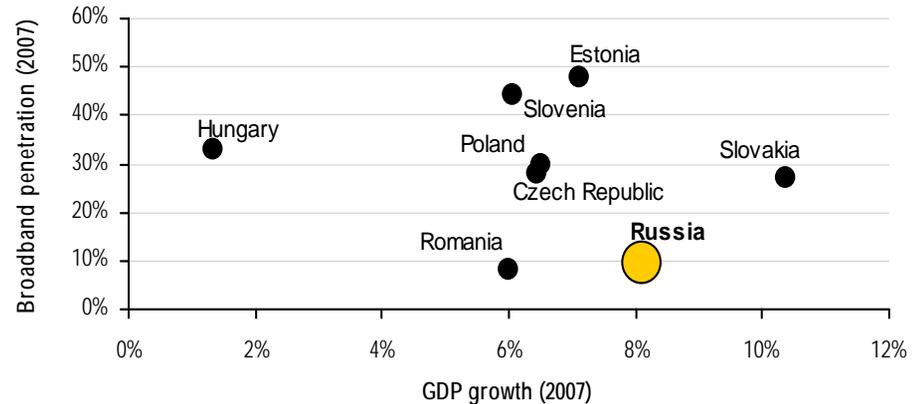
Source: HSBC

GDP Per Capita (PPP), \$



Source: CIA World Factbook

Broadband penetration/GDP Growth rate

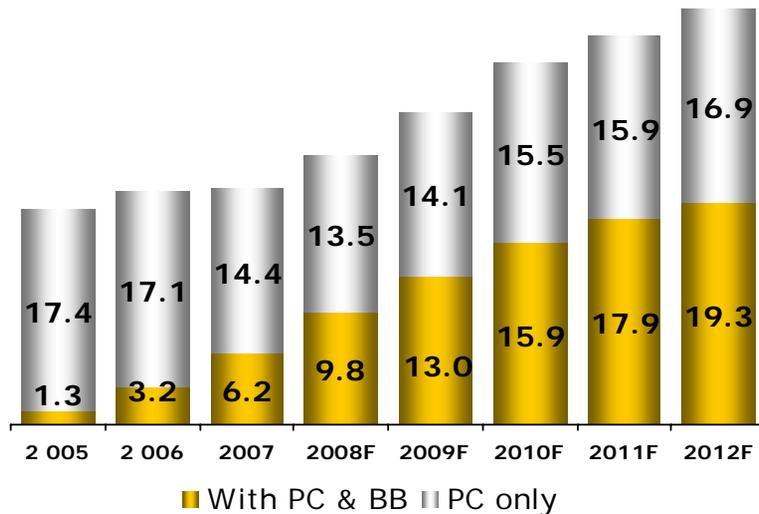


Source: HSBC

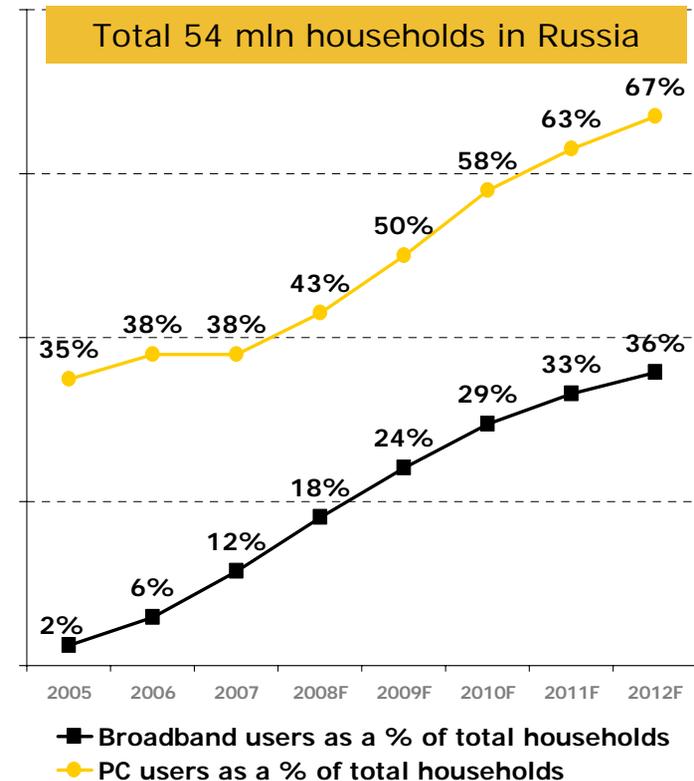
Russia: Residential Broadband Market Forecast



Households with PCs and Broadband (mln)



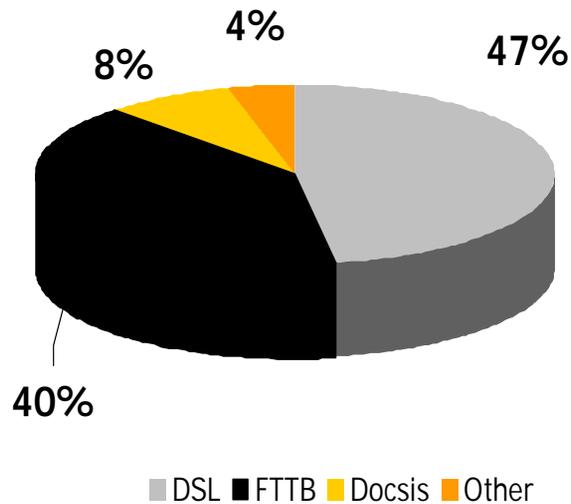
Broadband and PC Penetration (mln)



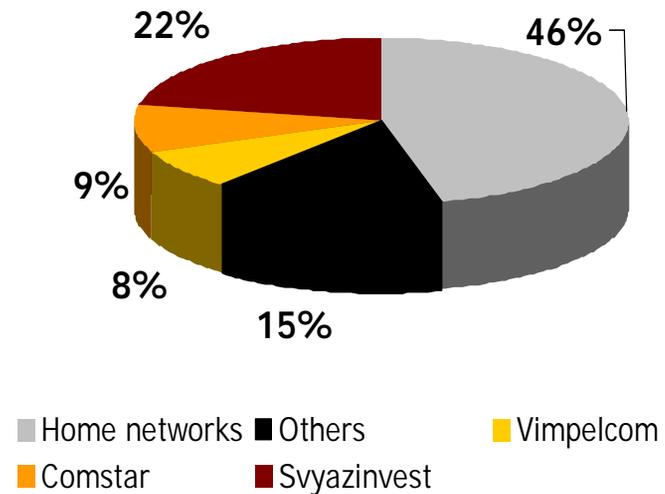
Russian Broadband Market



Russian Broadband Market
by Technology in 2007

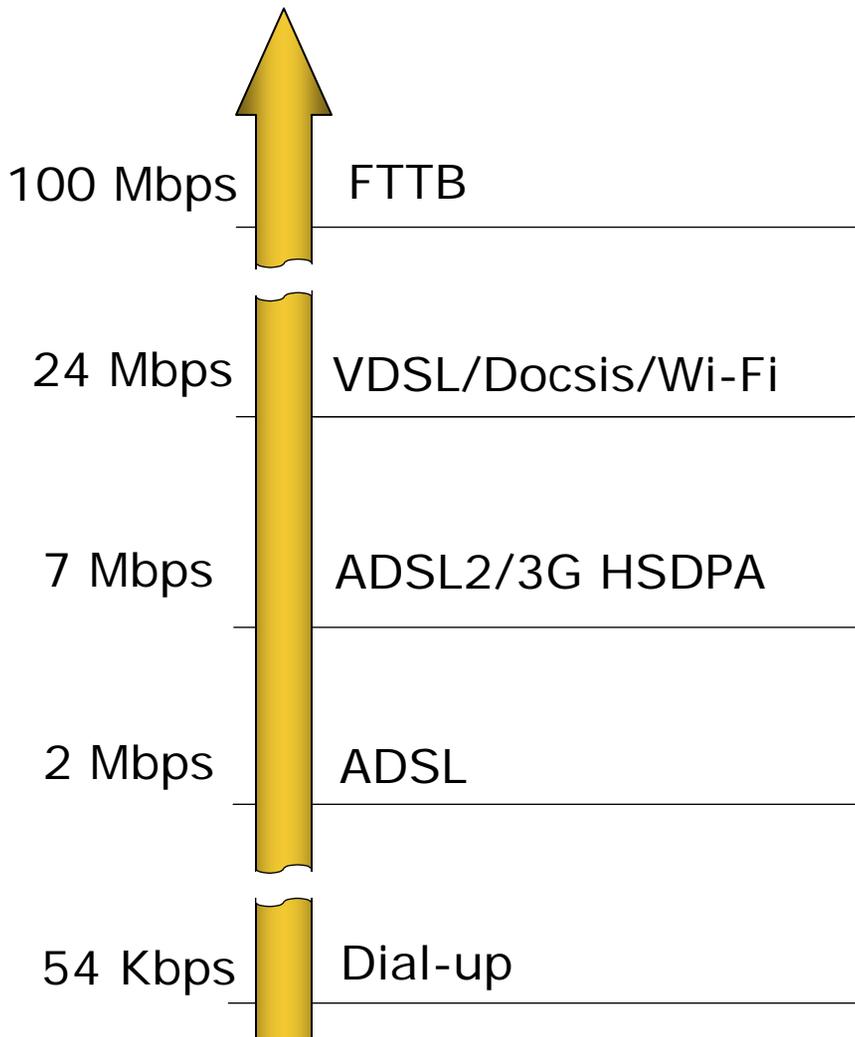


Russian Broadband Market
by Subscribers in 2007



Source: J'Son & Partners

Internet Providers by Technology



Beeline™ akado
ДОМ.ру qwerty

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Beeline™ СТРИМ МТС МЕГАФОН

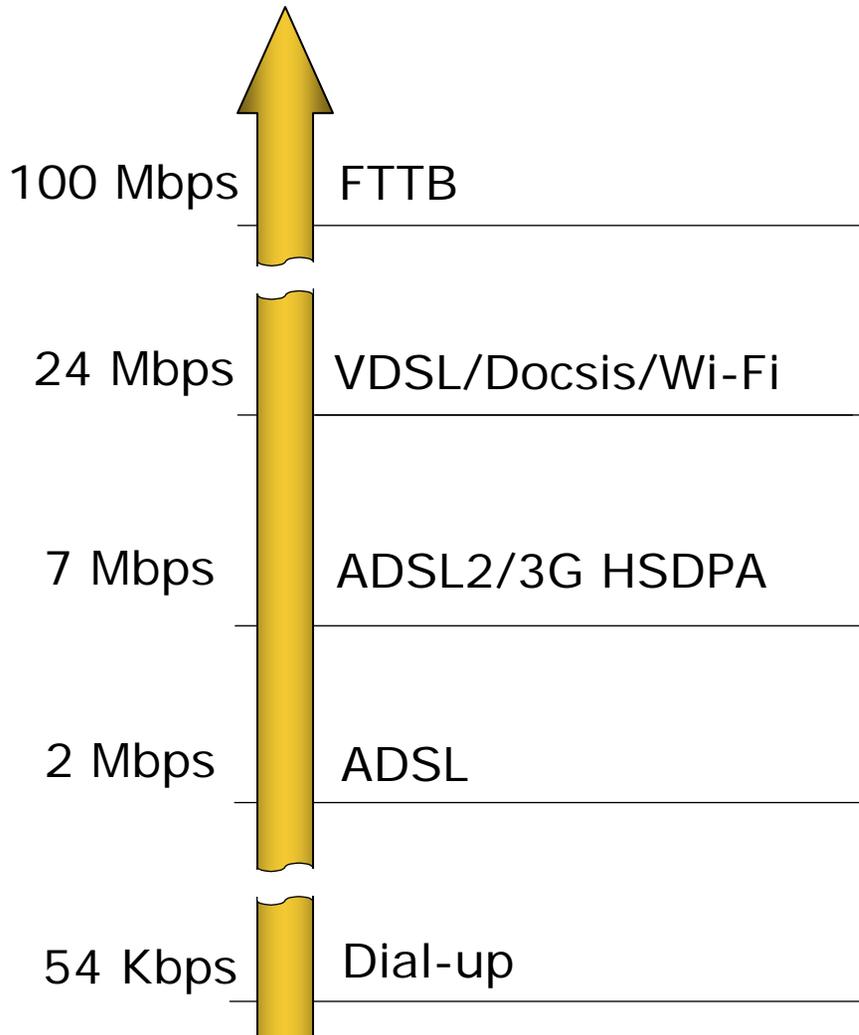
СТРИМ РОСТЕЛЕКОМ уралсвязьинформ ВОЛГАТЕЛЕКОМ

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РОСТЕЛЕКОМ ДальСВЯЗЬ
www.dsv.ru

Why Speed Matters?



Beeline™



				
<1 sec	<1 sec	3 sec	4 min	10 min
<1 sec	5 sec	15 sec	30 min	1.5 hr
1 sec	25 sec	1 min	2 hr	6 hr
3 sec	1 min	2 min	6 hr	
25 sec	6 min	10 min		

Press on Broadband



...It's been almost three decades in the making, but fiber to the home (FTTH) is finally emerging into the mainstream and is set to transform the telecom environment.

As demand for bandwidth continues to climb rapidly, the transition to FTTH will ultimately be unstoppable...



...In a worldwide survey by Oxford University and CISCO, the high-speed Internet access of some developed countries of western Europe was outperformed by Russia...

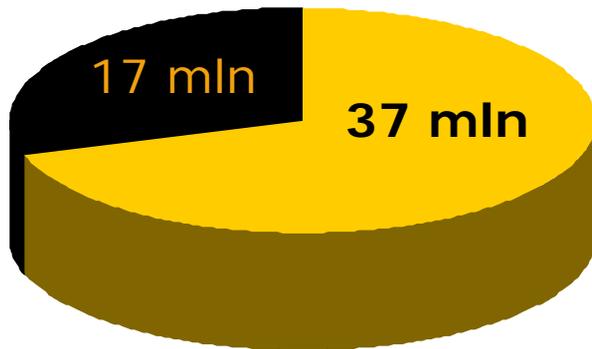
...The only country to have broadband quality that was considered adequate for future Internet applications, such as high-definition video and large file-sharing, was Japan...



...Average download speeds are adequate for web browsing, e-mail and basic video downloading and streaming.

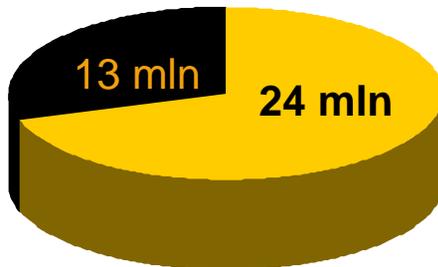
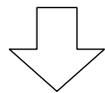
But we are seeing more interactive applications, more user-generated content being uploaded and shared, and an increasing amount of high-quality video services becoming available. Thus, we need technologies with higher speed...

Addressable Market for FTTB in Russia



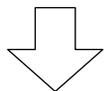
All Russian Households – 54 mln

Households based in big cities – 37 mln



Households in big cities based in

high-rise apartment blocks – 24 mln



Russian FTTB market

FTTB Roll-out Plans



Beeline™



FTTB: 40+ cities



FTTB: 180+ cities



FTTB: 80+ cities

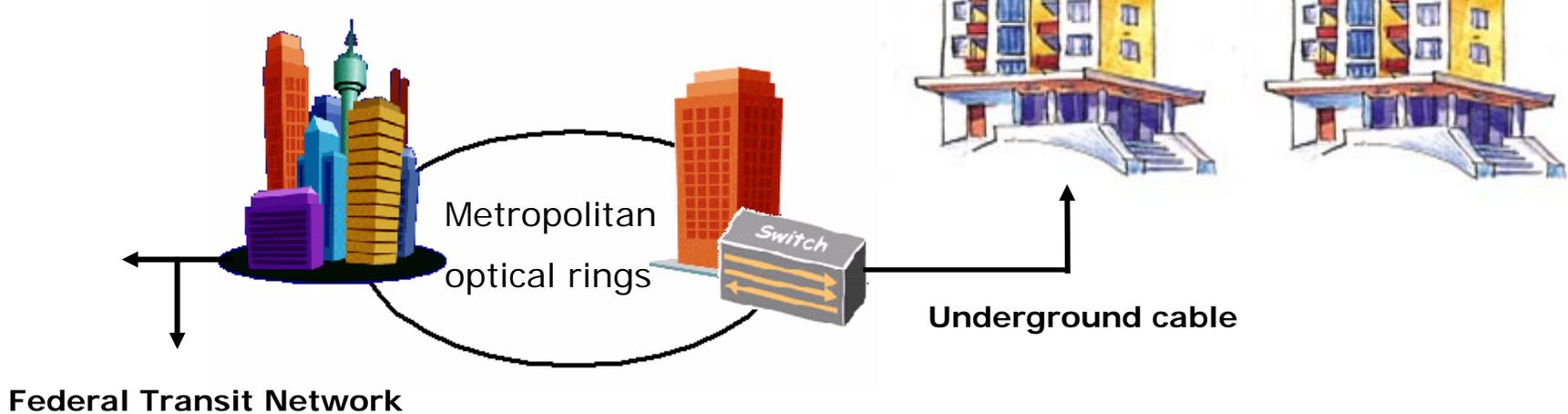


FTTB: 300+ cities

Low Cost FTTB Rollout

Total costs:

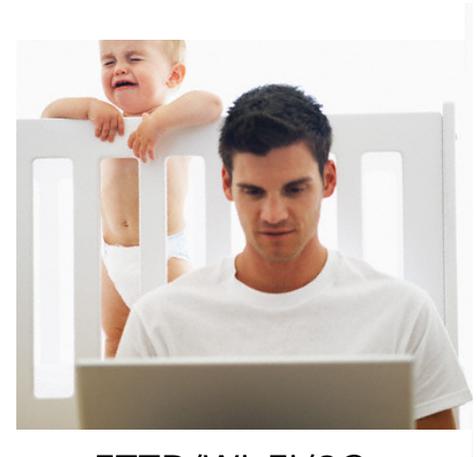
1. ~\$3,000 per building
2. \$90 per apartment



Advantages of Integrated Operator



FTTB



FTTB/Wi-Fi/3G



Wi-Fi/3G

Best Speed Wherever You Are



Beeline™



FTTB/Wi-Fi/3G



3G

24 Hours Around the Clock with Beeline



Watching an HD-movie on IP-TV channel

Matrimonial Duties
(Beeline free)

Downloading full Hitchcock's
anthology from the web
while sleeping

Having a dinner while your kids
are playing on-line PC game

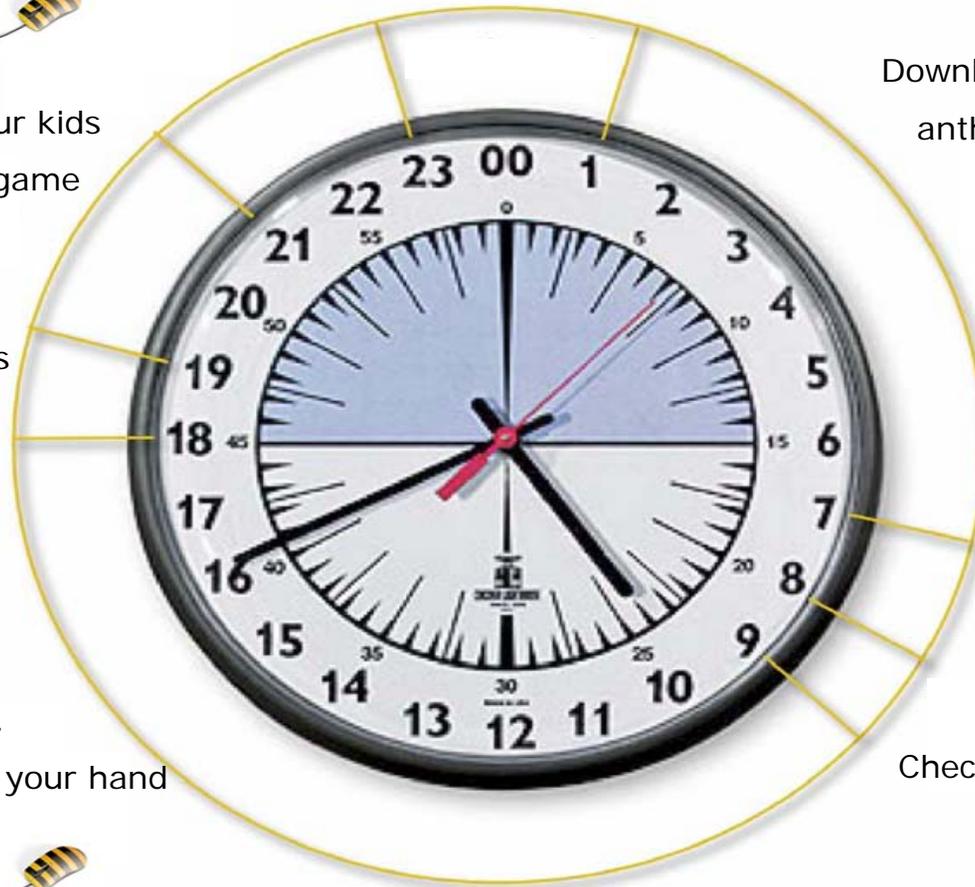
Answering the emails
on the way home

Reading the news from the
laptop while taking a coffee

Busy working day.

Phone and PC are always at your hand

Checking the mail on your iPhone
while in a car



Live on the bright side!

The future is bright!



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