



CK Hutchison and VimpelCom to form joint venture of their telecoms businesses in Italy

The combined business of 3 Italia S.p.A. and Wind Telecomunicazioni S.p.A. (WIND) will have over 31 million mobile customers and the strength and scale to drive competition in Europe's 4th largest telecoms market

Hong Kong e Amsterdam, 6th august 2015

CK Hutchison Holdings Ltd. ("CK Hutchison"), parent company of Italian mobile operator 3 Italia, and VimpelCom Ltd. ("VimpelCom"), parent company of WIND, have entered into an agreement to form a 50/50 joint venture that will own and operate their telecommunications businesses in Italy. By combining their businesses, 3 Italia and WIND will gain the scale and more efficient cost structure needed to enable them to continue to offer innovative, competitively -priced telecoms services and to compete even more aggressively in the Italian market place. The combination of the two networks, together with significant additional investment, will provide Italian mobile users with unmatched network quality and will accelerate the availability of high-speed mobile and fixed broadband services throughout Italy. Italian consumers and businesses can expect to benefit both from improved LTE network coverage, higher download speeds, higher network reliability and more advanced services. With over 31 million mobile customers and 2.8 million fixed line customers (of which 2.2 million are fixed broadband customers), the combined business is expected to generate significant Capex and Opex benefits with a net present value, less integration costs, in excess of €5 billion. The joint revenue of both companies in FY14 was €6.4 billion and the transaction is one of the largest M&A deals to be done in Italy since 2007*. Commenting on the deal, Canning Fok, Co-Group Managing Director of CK Hutchison, said: "This deal represents a major milestone for our Italian business. The combination of 3 Italia and WIND will create a financially sound and efficient operator that is able to compete head-on in the market place. This joint venture will give the combined business the scale and strength to offer Italian consumers and businesses a state of the art network with greater 4G coverage and higher speeds. This transaction underlines CK Hutchison's continuing confidence in the Italian economy, and its commitment to the development of nationwide digital infrastructure and services in Italy." The joint venture holding company (Hutchison 3G Italy Investments S.à.r.l (the "JV Holdco")) will own 3 Italia and WIND, and each of CK Hutchison and VimpelCom will indirectly hold 50 percent of the shares in the joint venture. After the transaction is completed, there will be no additional obligations to contribute funds by either parent company.

VimpelCom and CK Hutchison have provided for a clear corporate governance structure to ensure a successful joint venture with an empowered management team, supported by a board of six - three of whom will be nominated by each parent company respectively.

Commenting on the deal, Jean-Yves Charlier, CEO of VimpelCom said: "This is a transformational merger for the Italian market. The two entities will become a leading operator in Europe's, 4th largest telecoms market, delivering a convergent player that will accelerate the ability to invest in the network, services and digital innovations. At the same time, the transaction is a significant milestone for both sets of shareholders given the cost synergies between the two companies which will provide significant long-term shareholder value."



For more details please refer to the earnings press release, summary of transaction terms and investor presentation on www.vimpelcom.com and the legal announcement posted on the CK Hutchison website www.ckh.com.hk

Note per la stampa

****Wind Acquisition Holdings Finance S.p.A. ("WAHF"):** 13,9 miliardi di euro e 3 Italia: 7,9 miliardi di euro. Valore totale del deal: 21,8 miliardi di euro. WAHF è la holding company di WIND.

CK Hutchison è una multinazionale di Hong Kong quotata alla borsa di Hong Kong con 270.000 dipendenti in oltre 50 paesi. CK Hutchison ha 5 aree di business: porti e servizi correlati, retail, infrastrutture, energia e telecomunicazioni. La divisione telecomunicazioni include operatori di rete mobile e fissa ad Hong Kong e Macau, operatori mobili in Indonesia, Vietnam, Sri Lanka e in Europa dove è presente in Austria, Danimarca, Irlanda, Italia, Svezia e Regno Unito. Per maggiori informazioni visita: www.ckh.com.hk

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VimpelCom (NASDAQ:VIP) è una società internazionale di telecomunicazioni, con sede ad Amsterdam, che punta ad offrire ai clienti nuove soluzioni digitali. Presente in alcuni dei mercati più dinamici del mondo, VimpelCom fornisce a oltre 200 milioni di clienti servizi voce, banda larga fissa, dati e digitali. Il gruppo VimpelCom è un innovatore che ha l'obiettivo di portare il digitale ad ogni singolo cliente. VimpelCom opera in oltre 14 mercati inclusi Russia, Italia, Algeria, Pakistan, Uzbekistan, Kazakhstan, Ucraina, Bangladesh, Kirgizstan, Tajikistan, Armenia, Georgia, Laos e Zimbabwe. Il gruppo fornisce servizi al 10% della popolazione mondiale con i brand di "Beeline", "WIND", "Djezzy", "Mobilink", "Kyivstar", "Banglalink" e "Telecel". Seguici su Twitter [@VimpelCom](https://twitter.com/VimpelCom), visita blog.vimpelcom.com o visita il nostro sito www.vimpelcom.com

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Cautionary statement regarding forward-looking statements

This release contains “forward-looking statements” within the mean of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, and include statements regarding the transaction described above and the expected timing, benefits and completion of such transaction. Any statement in this announcement that expresses or implies VimpelCom’s or CK Hutchinson’s intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. Forward-looking statements involve inherent risks, uncertainties and assumptions, including, without limitation, the possibility that the requisite regulatory approvals will not be obtained or will be obtained on terms not acceptable to the parties and the transaction, and its expected benefits, may not materialize as expected or at all. If such risks or uncertainties materialize or such assumptions prove incorrect, actual results could differ materially from those expressed or implied by such forward-looking statements and assumptions. Certain other risks that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in VimpelCom’s Annual Report on Form 20-F for the year ended December 31, 2014, and other public filings made by the VimpelCom with the U.S. Securities and Exchange Commission, which risk factors are incorporated herein by reference. The forward-looking statements contained in this announcement are made as of the date hereof, and VimpelCom and CK Hutchison each expressly disclaims any obligation to update or correct any forward-looking statements made herein due to the occurrence of events after the issuance of this release.

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