

## **CK Hutchison and VimpelCom welcome European Commission approval of joint venture in Italy**

- **European Commission approves CK Hutchison and VimpelCom joint venture that will own and operate their telecommunications businesses in Italy to create the leading mobile operator**
- **Joint venture will unlock €7 billion of investment in Italy's digital infrastructure, supporting growth and jobs across the country**
- **Businesses and consumers will benefit from significantly increased download speeds and 4G/LTE coverage, greater reliability and stronger competition**

1 September 2016, Hong Kong and Amsterdam: CK Hutchison Holdings Ltd. ("CK Hutchison"), parent company of 3 Italia S.p.A. ("3 Italia"), and VimpelCom Ltd. ("VimpelCom"), parent company of Wind Telecomunicazioni S.p.A. ("WIND"), today welcomed the European Commission's decision to approve the 50/50 joint venture that will create the leading mobile operator in Italy.

The combined business of 3 Italia and WIND will have over 31 million mobile customers and 2.8 million fixed line customers (of which 2.5 million are fixed broadband customers). The joint venture will create a stronger new operator in Italy, drive competition and support the rapid changes in the market as demand for data and digital services increases.

The scale and financial strength of the combined business, which will include 21,000 network sites and strong spectrum assets, will enable the company to provide world-class telecoms services to businesses and consumers across Italy. Customers will enjoy significantly improved coverage, accelerated 4G/LTE mobile broadband rollout, greater reliability and enhanced download speeds. The combined business will benefit from scale and synergies which will unlock €7 billion of investment in Italy's digital infrastructure. Further, its delivery of mobile broadband will play an important part in supporting the Italian government's goal in its Digital Italy Plan to achieve 85% take-up of 100Mbps broadband coverage by 2020. The investment will also complement the Enel Open Fibre project already supported by WIND.

Commenting on the Commission's approval, Canning Fok, CK Hutchison Group Co-Managing Director, said: "Today is a good day for businesses and consumers across Italy. This joint venture will unlock major investment in Italy's digital infrastructure, creating a telecoms company with the scale and strength to offer world-leading telecoms services with greater reliability, coverage and speed. The joint venture will ensure Europe's fourth largest telecoms market remains a leading player in the global digital economy."

Jean-Yves Charlier, Chief Executive Officer of VimpelCom, said: "The merger will create a leading and financially solid mobile operator in Italy that will benefit from substantial synergies of combining the #3 and #4 operators in the marketplace. The joint venture will also benefit from a healthier debt profile and will be in a position to deliver solid deleveraging in the medium term. On completion, the combined business will not only be good for consumers, businesses and the economy in Italy but will also deliver long-term value to its shareholders."

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 FY15 was €6.25 billion and the transaction is one of the largest M&A transactions to be done in Italy since 2007. Completion is subject to obtaining national regulatory approvals. It is expected that the transaction will complete in Q4 2016.

## **About CK Hutchison**

CK Hutchison is a multi-national conglomerate headquartered in Hong Kong and listed on the Hong Kong Stock Exchange Limited with 270,000 employees in over 50 countries. CK Hutchison has five core businesses: ports and related services, retail, infrastructure, energy and telecommunications. The telecommunications division includes mobile and fixed line operations in Hong Kong and Macau, mobile operations in Indonesia, Vietnam and Sri Lanka, and in Europe, mobile operations in Austria, Denmark, Ireland, Italy, Sweden and the United Kingdom.

For more information visit: [www.ckh.com.hk](http://www.ckh.com.hk)

## **About VimpelCom Ltd.**

VimpelCom (NASDAQ: VIP) is an international communications and technology company, headquartered in Amsterdam, and driven by a vision to unlock new opportunities for customers as they navigate the digital world. Present in some of the world's most dynamic markets, VimpelCom provides more than 200 million customers with voice, fixed broadband, data and digital services. VimpelCom's heritage as a pioneer in technology is the driving force behind a major transformation focused on bringing the digital world to each and every customer. VimpelCom offers services to customers in 14 markets including Russia, Italy, Algeria, Pakistan, Uzbekistan, Kazakhstan, Ukraine, Bangladesh, Kyrgyzstan, Tajikistan, Armenia, Georgia, Laos, and Zimbabwe. VimpelCom, whose licenses cover 10% of the world's population, operates under the "Beeline", "WIND", "Djezzy", "Mobilink", "Kyivstar", "banglalink" and "Telecel" brands. Follow us on Twitter [@VimpelCom](https://twitter.com/VimpelCom), visit [blog.vimpelcom.com](http://blog.vimpelcom.com) or visit our website [www.vimpelcom.com](http://www.vimpelcom.com).

### **Media Contacts:**

#### **VimpelCom**

Media and Public Relations

Neil Moorhouse

Tel: +31 20 79 77 200

[pr@vimpelcom.com](mailto:pr@vimpelcom.com)

Investor Relations

Massimiliano Cominelli

Tel: +31 2079 77200

[ir@vimpelcom.com](mailto:ir@vimpelcom.com)

#### **CK Hutchison Holdings Limited**

Hans Leung

Tel: +852 2128 1370

[hansl@ckh.com.hk](mailto:hansl@ckh.com.hk)

#### **Finsbury**

Rollo Head, Guy Lamming

Tel: +44 20 7251 3801

[Rollo.Head@Finsbury.com](mailto:Rollo.Head@Finsbury.com)

[Guy.Lamming@Finsbury.com](mailto:Guy.Lamming@Finsbury.com)

#### **FTI Brussels**

Marcus Pepperell

Tel: +32 2 289 0930

[Marcus.Pepperell@FTIConsulting.com](mailto:Marcus.Pepperell@FTIConsulting.com)

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This release contains "forward-looking statements" within the meaning 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 Hutchison'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, 2015, and other public filings made by VimpelCom with the U.S. Securities and Exchange Commission. 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.