[State Emblem]

THE EIGHTH APPELLATE BUSINESS COURT
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DECISION

City of Omsk Case no. A75-2374/2008
January 11, 2009

The judgment was pronounced on December 29, 2008.
The full text of the decision was prepared on January 11, 2009.

The Eighth Appellate Business Court sitting with

Presiding Judge N.A. Ryabukhina and

Judge A.N. Glukhikh and Judge D.V. Ilnitskaya,

with the record of the hearing being taken by clerk M.A. Lepekhina,

considered, in open session, the appeals filed by Fridtjof Rusten, Telenor East Invest AS and Arve Johansen (and registered under Nos. 08AP-5018/2008, 08AP-5021/2008 and 08AP-5022/2008, respectively) at the first appellate level regarding the decision of the State Business Court for the Khanty-Mansi Autonomous Okrug – Yugra, dated August 16, 2008, taken by a panel of judges including Presiding Judge Ye.A. Karankevich and non-judicial panel members E.M. Alibaev and Ya.N. Lazukova in case no. A75-2374/2008 involving the claim of Farimex Products, Inc. against Eco Telecom Limited, Altimo Holdings & Investments Ltd., Avenue Limited, Janow Properties Limited, Santel Limited, Telenor East Invest AS and Open Joint Stock Company CT-Mobile,

with Open Joint Stock Company Vimpel-Communications, Arve Johansen, Alexey Reznikovich, Fridtjof Rusten, Henrik Torgersen and Mikhail Fridman as third parties,

for US$3,797,818,500 in damages.

The hearing was attended by:

For Farimex Products, Inc.: D.S. Chernyi, holder of certificate No. 8142 of December 15, 2005, acting as a representative under a power of attorney dated March 31, 2008 and valid for three years; and A.I. Muranov, holder of certificate No. 3128 of March 13, 2003, acting as a representative under a power of attorney dated March 31, 2008 and valid for three years;

For Eco Telecom Limited: V.V. Podsosonnaya, holder of passport 4509 No. 298958 of November 20, 2007, acting as a representative under a power of attorney dated December 1, 2008 and valid for one year; and M.A. Yaremenko, holder of passport 4607 No. 656140 of April 27, 2007, acting as a representative under power of attorney No. 5-2813 dated April 29, 2008 and valid until February 1, 2009;

For Altimo Holdings & Investments Ltd.: V.V. Yegorov, holder of passport 5133 No. 437103 of August 24, 2006, acting as a representative under a power of attorney dated March 25, 2008 and valid for one year;

For Avenue Limited: S.V. Minakova, holder of passport 4602 No. 437991 of April 2, 2002, acting as a representative under power of attorney No. 13-759 dated May 6, 2008 and valid until March 26, 2009;

For Janow Properties Limited: S.V. Minakova, holder of passport 4602 No. 437991 of April 2, 2002, acting as a representative under power of attorney No. 13-757 dated May 6, 2008 and valid until March 26, 2009;

For Santel Limited: S.V. Minakova, holder of passport 4602 No. 437991 of April 2, 2002, acting as a representative under power of attorney No. 13-758 dated May 6, 2008 and valid until March 26, 2009;

For Telenor East Invest AS: G.P. Chernyshov, holder of certificate No. 3656 of August 19, 2003, acting as a representative under a power of attorney dated July 4, 2008 and valid for three years; Ye.V. Zaichenko, holder of certificate No. 8900 of March 22, 2007, acting as a representative under a power of attorney dated July 4, 2008 and valid for three years; and M.M. Yemelyanov, holder of passport 4606 No. 589401 of March 23, 2006, acting as a representative under a power of attorney dated July 4, 2008 and valid for three years;

For Arve Johansen: K.K. Kasian, holder of passport 4503 No. 846597 of December 24, 2002, acting as a representative under power of attorney No. 3-15683 dated November 25, 2008 and valid for three years;

For Fridtjof Rusten: K.K. Kasian, holder of passport 4503 No. 846597 of December 24, 2002, acting as a representative under power of attorney No. 3-4233 dated November 26, 2008 and valid for three years;

For Henrik Torgersen: A.Yu. Melnikov, holder of certificate No. 3132 of March 13, 2003, acting as a representative under a power of attorney dated November 24, 2008 and valid for three years;

For Alexey Reznikovich: N.V. Batalova, holder of certificate No. 263 of January 31, 2003, acting as a representative under power of attorney No. 2201 dated May 14, 2008 and valid for one year; and

For Mikhail Fridman: N.V. Batalova, holder of certificate No. 263 of January 31, 2003, acting as a representative under power of attorney No. 1-36868 dated April 29, 2008 and valid until December 31, 2008.

No representative of VimpelCom appeared.

No representative of CT-Mobile appeared.

THE COURT FOUND THAT

On April 14, 2008, Farimex Products, Inc. filed with the State Business Court for the Khanty-Mansi Autonomous Okrug – Yugra a claim against Eco Telecom Limited, Altimo Holdings & Investments Ltd., Avenue Limited, Janow Properties Limited, Santel Limited, Telenor East Invest AS and Open Joint Stock Company CT-Mobile ("CT-Mobile") seeking US$3,797,818,500 in damages, to be paid by the defendants on a joint and several basis to Open Joint Stock Company Vimpel-Communications ("VimpelCom"). The statement of claim named VimpelCom, Mikhail Fridman, Alexey Reznikovich, Arve Johansen, Fridtjof Rusten and Henrik Torgersen as third parties.

Farimex Products, Inc. stated in support of its claim that it held 25,000 VimpelCom American Depositary Receipts, which are securities issued in series by a foreign issuer and

evidencing the plaintiff's property rights and non-property rights in, to and under VimpelCom shares under Russian law.

With reference to Articles 6, 31, 53 and 71 of Federal Law No. 208-FZ "On Joint Stock Companies," dated December 26, 1995 (the "JSC Law"), and Articles 10, 15, 47, 48 and 66 of the Civil Code of the Russian Federation (the "Civil Code"), the plaintiff made arguments to show that VimpelCom incurred losses due to improper acts or omissions by the defendants, which took steps to prevent the acquisition of shares in Closed Joint Stock Company Ukrainian RadioSystems ("URS") by VimpelCom. The plaintiff stated that the acquisition of URS shares was delayed by one year as a result of the tactics of certain members of the board of directors who delayed and blocked a resolution approving such acquisition. If VimpelCom had entered the Ukrainian mobile telecommunications market via URS in 2004 the number of its customers would have increased by 5,063,758 and VimpelCom's market value would have been higher than its current value by US$3,797,818,500, based on the average value per customer.

VimpelCom, Mikhail Fridman, Alexey Reznikovich, Arve Johansen, Fridtjof Rusten and Henrik Torgersen were brought into this lawsuit as third parties asserting no separate claim regarding the subject matter in dispute.

The plaintiff submitted a motion under Article 49 of the Code of Arbitration Procedure of the Russian Federation (the "Procedural Code") to increase the amount of claim to US$5,746,614,787.79 (page 7, book 28 of the case file) before the court of first instance determined the case. The court order of August 16, 2008 denied such motion (pages 106-107, book 31 of the case file).

The decision, dated August 16, 2008, taken by the State Business Court for the Khanty-Mansi Autonomous Okrug – Yugra in case no. A75-2374/2008, satisfied the claim of Farimex Products, Inc. in part. Telenor East Invest AS was ordered to pay US$2,824,125,677 in damages to VimpelCom and to pay 386,681 rubles as litigation costs and 74,631.77 rubles as official fees to Farimex Products, Inc. The remainder of the claim was dismissed.

The court of first instance stated that it had not been proved that the losses were incurred through the fault of any of Eco Telecom Limited, Altimo Holdings & Investments Ltd., Avenue Limited, Janow Properties Limited, Santel Limited or CT-Mobile, and dismissed the claim against said defendants. With respect to Telenor East Invest AS, the court of first instance concluded that the approval of VimpelCom's entry into the Ukrainian mobile telecommunications market (by means of the acquisition of URS shares) by VimpelCom's board of directors was blocked for a year as a result of the actions taken by such defendant in bad faith through its representatives on VimpelCom's board of directors and that such delay resulted in VimpelCom's lost profit of US$2,824,125,677 for the period between November 4, 2004 and April 14, 2008, as determined based on expert report No. EE-807149.

Each of Telenor East Invest AS, Arve Johansen and Fridtjof Rusten appealed the court decision at the first appellate level. Their appeals request that the court decision be reversed, because the court's conclusions are inconsistent with the facts or evidence in the case and the court of first instance incorrectly applied rules of substantive law and failed to comply with rules of procedural law. Telenor East Invest AS, Arve Johansen and Fridtjof Rusten state that Farimex Products, Inc. had no right to sue, because the holding of American Depositary Receipts ("ADRs") issued in respect of VimpelCom shares does not mean that their holder has acquired rights or incurred obligations as a VimpelCom shareholder and because the

plaintiff failed to provide any proper evidence of its rights to VimpelCom shares (such as an extract from VimpelCom's share register or a statement of a relevant custody account). The appellants believe that no evidence in the case shows that any relationships between Telenor East Invest AS and VimpelCom were those between a parent company and a subsidiary and that the plaintiff failed to prove the existence of any losses incurred by VimpelCom, the amount of such losses, any wrongful act by Telenor East Invest AS or the occurrence of any losses through the fault of Telenor East Invest AS. Telenor East Invest AS states that any director is an independently acting individual involved in corporate relationships and does not represent the shareholders who elected him to the board of directors of VimpelCom. In addition, no evidence in the case confirms that any of Arve Johansen, Fridtjof Rusten or Henrik Torgersen were elected by Telenor East Invest AS to the board of directors or that any such individual carried out the intentions of said defendant when he voted against the approval of the acquisition of URS shares. Said defendant and said third parties involved in the proceedings believe that there is no good reason to calculate the losses starting from November 4, 2004, and, specifically, state that it was impossible to enter into a transaction involving such acquisition by that date (because, among other things, the approval of the transaction by Ukraine's anti-monopoly authority was not in place as late as the end of July 2005).

The appellants also refer to failures by the court of first instance to comply with rules of procedural law which failures provide absolute grounds under Article 270(4) of the Procedural Code for reversing the relevant judicial decision. The above-mentioned defendant and third parties believe that the State Business Court for the Khanty-Mansi Autonomous Okrug agreed to hear and considered the claim of Farimex Products, Inc. other than in compliance with the rules of territorial jurisdiction, because the only defendant with its registered office in the Khanty-Mansi Autonomous Okrug is CT-Mobile and the claims against CT-Mobile are unfounded. Telenor East Invest AS, Arve Johansen and Fridtjof Rusten believe that the plaintiff artificially created a basis for the territorial jurisdiction of the State Business Court for the Khanty-Mansi Autonomous Okrug over the dispute under review. Furthermore, the court of first instance considered the case in the absence of a third party, Henrik Torgersen, who was not given sufficient notice of the time or place of hearings. The court of first instance did not give notice to foreign parties involved in the proceedings in such manner as provided by Russian procedural law for notice given to a foreign person. The court of first instance had no basis to make the plaintiff responsible for giving notice of the consideration of the case to defendants or third parties. Articles 121(5) and 253(2) of the Procedural Code require that notice be given to a foreign person involved in proceedings by sending an appropriate request to an institution of justice or another competent authority and do not permit a notice directly sent to a foreign person by mail.

Additional evidence is attached to the appeal filed by Telenor East Invest AS.

On October 1, 2008, the Eighth Appellate Business Court agreed to consider the appeals filed by Telenor East Invest AS, Arve Johansen and Fridtjof Rusten at the first appellate level, and scheduled the review of such appeals for November 18, 2008 (pages 46 and 90, book 35 and page 1, book 36 of the case file).

A response submitted by Farimex Products, Inc. in connection with the appeals states that the court decision so appealed is not legal or well founded in all respects, because damages should be awarded against Alfa Group defendants, as well as Telenor East Invest AS, on a joint and several basis (pages 12-13, book 37 of the case file). The plaintiff objects to the review of the legality and validity of such decision by the court of appeals at the first

appellate level within the scope of the appeals only and requests with reference to Article 268(5) of the Procedural Code that the court of appeals at the first appellate level also review the legality and validity of the court decision as concerns the dismissal of the claim against Eco Telecom Limited, Altimo Holdings & Investments Ltd., Avenue Limited, Janow Properties Limited, Santel Limited and CT-Mobile.

Farimex Products, Inc. also submitted a written response to the appeals filed by a defendant and third parties at the first appellate level. Such response claims that the arguments given in the appeals are unfounded. The plaintiff requests that the decision, dated August 16, 2008, taken by the State Business Court for the Khanty-Mansi Autonomous Okrug in case no. A75-2374/2008, be amended, damages in the amount of US$2,824,125,677 (as incurred by VimpelCom) be awarded against all defendants on a joint and several basis, and said decision be amended as concerns the application of Article 6 of the JSC Law, because no application of law by analogy is required within the framework of this lawsuit (pages 117-147, book 37 of the case file). Additional evidence is attached to the response of Farimex Products, Inc. to the appeals.

Eco Telecom Limited requests in its written response to the appeals that the court decision be affirmed and the appeals be dismissed (pages 131-137, book 44 of the case file).

Avenue Limited, Janow Properties Limited and Santel Limited also request in their joint response to the appeals that the court decision so appealed be affirmed and the appeals be dismissed (pages 1-4, book 45 of the case file).

During the hearing held by the court of appeals at the first appellate level on November 18, 2008, representatives of Telenor East Invest AS, Arve Johansen and Fridtjof Rusten requested time for the review of the documents attached to the plaintiff's response and of the responses to the appeals which documents and responses had not been sent to them sufficiently in advance of the hearing and were not received before the hearing. Henrik Torgersen's representative submitted a motion seeking postponement of the hearing in order to be able to review the evidence in the case and the judicial decisions taken in connection with the case, because Henrik Torgersen was not properly brought into the lawsuit and, therefore, did not participate in the proceedings before the court of first instance or receive a copy of the decision taken by that court which decision has not been sent to him by the court of first instance.

On November 18, 2008, the court of appeals at the first appellate level gave an order to grant the motions submitted to it and to postpone the review of the appeals until December 12, 2008 (pages 55-57, book 45 of the case file).

An additional submission accompanied by an additional document was received from Telenor East Invest AS as a reply to the plaintiff's response (pages 84-120, book 45 of the case file).

The hearing started on December 12, 2008 was suspended until 11:30 a.m. on December 19, 2008. Following such recess, the hearing was resumed on December 19, 2008. The representatives of all parties involved in the proceedings were given sufficient notice of such hearing. No representative of VimpelCom or CT-Mobile appeared.

During the hearing of December 12-19, 2008 (before the recess), a representative of the plaintiff submitted a motion requesting the court to receive additional documents attached to

the plaintiff's response to the appeals. In support of such motion, he referred to Articles 262(1) and 268(2) of the Procedural Code and said that such documents substantiated the plaintiff's response to the appeals. A representative of Telenor East Invest AS submitted a motion requesting the court to receive additional documents attached to its appeal. In support of such motion, he stated that the court of first instance had denied his motion for discovery and that it had been impossible to submit one of the documents (namely, the ballot of Eco Telecom Limited for the annual general meeting of shareholders of VimpelCom held in 2004) to the court of first instance, because a request for such document was made to VimpelCom on August 6, 2008 and the document was received from VimpelCom on August 28, 2008 (after the court of first instance took its decision). Such request and VimpelCom's reply/cover letter were submitted to the court of appeals at the first appellate level in support of such statement. A representative of Telenor East Invest AS also requested the court to receive a document attached to the additional submission which document was a scientific and legal opinion prepared by Professor Ye.P. Gubin at the request of Telenor East Invest AS and relating to a shareholder's liability for directors' actions.

Upon review of the motions of the plaintiff and Telenor East Invest AS as a defendant requesting the court to receive documents, the court of appeals at the first appellate level denied the request to receive Professor's Ye.P. Gubin's opinion, because the court has the exclusive authority to address any matters of law and the legal consequences of the evaluation of evidence. The motions requesting the court to receive the documents attached to said defendant's appeal and the plaintiff's response were appropriately justified and were granted by the court of appeals at the first appellate level under Article 268(2) of the Procedural Code and such documents were made part of the record of the case (pages 140-150, book 35 and page 1, book 38 through page 130, book 44 of the case file).

During the hearing of December 12, 2008, Arve Johansen's representative referred to failures by the court of first instance to comply with procedural law (such as the consideration of the case by an illegal substitute judge, the consideration of the case in the absence of Telenor East Invest AS and a third party, Henrik Torgersen, neither of which received sufficient notice of the place or time of hearings, a failure to comply with the applicable language rules in connection with the consideration of the case, a decision of the court of first instance on the rights and obligations of Terje Thon, who had not been brought into the lawsuit, and a failure to comply with the requirement for the confidentiality of the judges' deliberations before they take a decision) and submitted a motion requesting the court of appeals at the first appellate level to confirm the applicability of grounds specified by Article 270(4) of the Procedural Code, to reverse the decision of the court of first instance on such grounds and to proceed with the consideration of the case in accordance with the rules established for the purposes of the consideration of a case by a state business court of first instance.

With respect to Arve Johansen's motion, the court of appeals at the first appellate level ordered that a determination on requests made in such motion be made upon review of the appeals on the merits as concerns the requests for reversing the judicial decision and proceeding with the consideration of the case in accordance with the rules used by a court of first instance. Under Articles 269, 270(4), 270(5) and 271(1) of the Procedural Code, a state business court of appeals at the first appellate level must first consider an appeal (or appeals, as is the case in the lawsuit under review) filed at the first appellate level regarding a decision taken by a court of first instance in connection with a lawsuit and take an appropriate decision before such court of appeals may reverse the decision of the court of first instance and

proceed with the consideration of the lawsuit in accordance with the rules established for the purposes of the consideration of a lawsuit by a state business court of first instance.

During the hearing of December 12-19, 2008 (following the recess), the court of appeals at the first appellate level heard representatives of Telenor East Invest AS as a defendant and Arve Johansen and Fridtjof Rusten as third parties who re-affirmed the appeals. Such defendant's and third parties' representatives requested the court of appeals at the first appellate level to reverse the decision of the court of first instance and dismiss the claim. The court of appeals at the first appellate level heard the explanations of Henrik Torgersen's representative, who supported the positions stated in said defendant's and third parties' appeals and additionally argued that Farimex Products, Inc. had no right to sue because the provisions of a certain depository agreement dated November 20, 1996 between VimpelCom and The Bank of New York should apply to the status of Farimex Products, Inc. as an ADR holder and to the relationships involving ADR holders and beneficiaries which agreement provides that the relevant relationships should be governed by US law and the court of competent jurisdiction thereunder is a court sitting in the Manhattan area. Henrik Torgersen's representative also spoke on the merits of the dispute and stated that the plaintiff's claims were unfounded and had not been proved and that the conclusions drawn by K.Yu. Kulakov and A.V. Kulikov as experts in their report (which report was used by the court of first instance as a basis for the conclusions contained in its decision) were baseless. The representative stated that the court of first instance failed to comply with procedural law and, specifically, to give notice of hearings, including the main hearing, to Henrik Torgersen, that the only notice received by Henrik Torgersen was the notice received on August 5, 2008 and advising him of the date of the hearing scheduled for July 18, 2008, which hearing did not actually take place, and that such lack of notice effectively prevented him from learning about the case under review or exercising his rights as a party involved in the proceedings, including the rights to review the evidence in the case, to participate in the hearing of August 12, 2008 or to submit evidence. Henrik Torgersen's representative requested that the court of appeals at the first appellate level reverse the decision of the State Business Court for the Khanty-Mansi Autonomous Okrug – Yugra and transfer the case to the State Business Court for Moscow or the Ninth Appellate Business Court.

Henrik Torgersen's representative submitted motions requesting the court to receive his additional written submission containing the explanations given by him and to admit additional evidence (as attached to his motions and available on page 16, book 46 and page 18, book 47 of the case file) which documents Henrik Torgersen was unable to submit for the reasons described above.

The hearing held to consider the appeals was postponed until 2:00 p.m. on December 25, 2008 in order to allow the parties involved in the proceedings to review the documents that Henrik Torgersen's representative requested the court to receive.

The hearing that started on December 25, 2008 was suspended until 10:00 a.m. on December 26, 2008 and then until 10:30 a.m. on December 29, 2008. Following such recesses, the hearing was resumed on December 26, 2008 and December 29, 2008, respectively, and ended on December 29, 2008 upon the pronouncement of the judgment, containing the operative part of the decision.

The representatives of the parties involved in the proceedings were given sufficient notice of such hearing. No representative of VimpelCom or CT-Mobile appeared at the hearing of December 25-29, 2008. Following the recess, N.V. Batalova, who represented Alexey

Reznikovich and Mikhail Fridman as third parties, and M.A. Yaremenko, who was a representative of Eco Telecom Limited as a defendant, did not appear at the hearing held on December 29, 2008.

During the hearing held on December 25, 2008, a representative of the plaintiff submitted a motion requesting the court to receive a copy of the depository agreement of November 20, 1996 together with a Russian translation of a part thereof and an issue of a journal (bulletin) issued by the Russian Society of Appraisers which issue shows that Ye.I. Neyman and A.Yu. Tkachuk were officers of the Russian Society of Appraisers.

Upon review of the motions of the representative of Henrik Torgersen as a third party and a representative of the plaintiff requesting the court to receive additional evidence which motions were submitted during the hearings held on December 12-19, 2008 and December 25, 2008, respectively, the court of appeals at the first appellate level denied the request to receive the following two documents submitted by such third party: Professor's Ye.A. Pavlodsky scientific opinions (regarding the legal status of a parent company and a subsidiary in the Russian Federation and regarding the legal regulation of the allocation of losses incurred by a shareholder of a joint stock company and such company), because the court has the exclusive authority to address any matters of law and the legal consequences of the evaluation of evidence. The remainder of the third party's motions was granted and the documents submitted, including a notarized copy of the depository agreement of November 20, 1996 (in English, together with its full Russian translation), were made part of the record of the case (pages 17-232, book 46 and pages 1-74, book 47 of the case file). The court of appeals at the first appellate level refused to receive the journal of the Russian Society of Appraisers submitted by the plaintiff, because A.Yu. Tkachuk's and Ye.I. Neyman's membership of the Russian Society of Appraisers is confirmed by the Explanations of an Appraiser/Expert prepared by LLC C.O.M.I.T. – Invest and by CJSC ROSECO, respectively, which Explanations are available in the case file and have not been challenged by any party involved in the proceedings. The English version of the depository agreement of November 20, 1996 together with a Russian translation of a part thereof, as submitted by the plaintiff, was received by the court of appeals at the first appellate level, because such admission into evidence was not contrary to Articles 75(5), 75(6) or 255 of the Procedural Code.

During the hearing of December 25-29, 2008, the representatives of Farimex Products, Inc. spoke and requested that the court of appeals at the first appellate level review the legality and validity of the court decision in its entirety and amend such decision to satisfy the request for awarding damages against all the defendants on a joint and several basis and amend the conclusion of the court of first instance regarding the application of Article 6 of the JSC Law by analogy, as contained in the explanatory section of the court decision. The plaintiff's representatives spoke on the merits of the case in line with its response to the appeals and submitted a motion requesting the court to receive additional evidence including a document relevant to the giving of notice of the hearing of August 12, 2008 to Henrik Torgersen as a third party (which was a document, dated July 22, 2008, prepared by D.S. Chernyi, an attorney-at-law, entitled "Summary of the Document to Be Served," accompanied by a translation from English into Russian) and a document relevant to the right of Farimex Products, Inc. to sue (which was a letter, dated August 8, 2008, sent by The Bank of New York Mellon, and letter No. 3870, dated December 10, 2008, sent by Closed Joint Stock Company ING Bank (Eurasia) ZAO).

Upon review of the plaintiff's motions requesting the court to receive the above-mentioned documents, the court of appeals at the first appellate level denied such motions. The document, dated July 22, 2008, entitled "Summary of the Document to Be Served," includes texts in English and Norwegian; however, the translation accompanying the document states that the document was translated from English in its entirety. The letter, dated August 8, 2008, sent by The Bank of New York Mellon (and addressed to "whom it may concern"), and the letter, dated December 10, 2008, sent by ING Bank (Eurasia) ZAO (and addressed to D.S. Chernyi), contain information for which it has not been substantiated why such information could not be submitted to the court of first instance (Article 268(2) of the Procedural Code).

Following the denial of the motion regarding the document of July 22, 2008, the plaintiff repeated the motion for the admission of the above-mentioned document in evidence during the hearing on December 26, 2008 and attached an additional translation from Norwegian to the original translation from English. In addition, the plaintiff requested the court to receive a written statement, dated December 15, 2008, made by D.N. Martyanov as a translator regarding an error he made in the translation of the request for service, dated July 22, 2008, from English into Russian, and letter No. 24-25/10-8507, dated December 2, 2008, issued by Ukraine's Anti-monopoly Committee regarding concentration. The court of appeals at the first appellate level granted such motions and the above-mentioned documents were made part of the record of the case.

A representative of Telenor East Invest AS submitted a motion requesting the court to receive a Russian translation of the purchase agreement of November 10, 2005, which is available in English in the case file, and to receive an additional document, which was VimpelCom's letter, dated September 3, 2008, stating that no ballot of Farimex Products, Inc. for the annual general meeting of shareholders for 2004 or 2005 was contained in VimpelCom's records. Upon review of such motion, the court of appeals at the first appellate level granted the motion and made the translation of the agreement of November 10, 2005 and the above-mentioned letter part of the record of the case.

The representative of Avenue Limited, Janow Properties Limited and Santel Limited as defendants re-affirmed her response to the appeals, believes that the claims against Avenue Limited, Janow Properties Limited and Santel Limited are unfounded, because none of such companies is a VimpelCom shareholder and no act or omission by any of them caused the losses incurred by VimpelCom, and requested that the court decision be affirmed.

A representative of Eco Telecom Limited as a defendant spoke in line with its response, believes that the claim against such defendant is unfounded, has not been proved and should be dismissed, and requested that the court decision be affirmed. The representative submitted a motion requesting the court to receive a Russian translation of page 28 of VimpelCom's Form 20-F report for 2004, which is available in English in the case file (page 37, book 38 of the case file). The court granted such motion and made such translation part of the record of the case.

The representative of Altimo Holdings & Investments Ltd. believes that the court decision to dismiss the claim against Altimo Holdings & Investments Ltd. is correct and that only the explanatory section of the court decision should be amended as concerns the court's conclusions regarding the application of Article 6 of the JSC Law by analogy, because said Article directly applies, and regarding defendant Telenor East Invest AS as a shareholder in Kyivstar GSM, because such shareholder is another company. The representative also

submitted a motion requesting the court to receive additional documents including pages printed out from Turkcell's website and printouts of press releases from Astelit and VimpelCom, and a motion filed under Article 78 of the Procedural Code and seeking review and examination of such press releases, the locations of which on the relevant websites were specified in the motion. Upon review of the above-mentioned motion, the court of appeals at the first appellate level denied such motion. The representative failed to show that the pages printed out from Turkcell's website were relevant to the dispute under review. There is nothing on the printouts of the press releases to indicate that they have been obtained from a website and, therefore, have no significance as evidence. The motion for review and examination of press releases on websites effectively requests a search for evidence, which is inconsistent with Article 78 of the Procedural Code.

The representative of Alexey Reznikovich and Mikhail Fridman as third parties believes that the court decision is legal and well grounded and should be affirmed. The representative believes that the demand to hold Eco Telecom Limited and Altimo Holdings & Investments Ltd. liable on a joint and several basis is baseless.

Having reviewed the evidence in the case, the record of the case, the appeals and the responses thereto and heard the representatives of parties involved in the proceedings who appeared in court, the court of appeals at the first appellate level believes that the court decision taken in connection with the case should be reversed for the following reasons.

It follows from the evidence in the case that the State Business Court for the Khanty-Mansi Autonomous Okrug issued an order on April 15, 2008 to agree to hear the claim of Farimex Products, Inc. and to schedule the preliminary hearing of the claim for 11:00 a.m. on May 12, 2008.

The claim was filed against several legal entities including Telenor East Invest AS, a company organized under the laws of the Kingdom of Norway.

The above-mentioned order also brought VimpelCom, Mikhail Fridman, Alexey Reznikovich, Arve Johansen (a citizen of the Kingdom of Norway), Fridtjof Rusten (a citizen of the Kingdom of Norway) and Henrik Torgersen (a citizen of the Kingdom of Norway) as third parties into the lawsuit (page 1, book 1 of the case file).

As provided by Articles 7, 8 and 9 of the Procedural Code, justice is administered by a state business court on the basis that all parties involved in proceedings are equal before the law and court, irrespective of their domicile, that the parties to proceedings have equal rights and that active and unhindered parties contest with each other under an adversary system.

Article 121 of the Procedural Code requires that a state business court give notice of the time and place of any hearing or separate proceeding to each party involved or otherwise participating in the relevant proceedings conducted by such state business court which notice must be given by sending a copy of the relevant judicial decision at least 15 days before the beginning of the hearing or proceeding unless otherwise provided by this Code (clause 1 of said Article). Any judicial decision giving notice to or summoning parties involved in proceedings conducted by a state business court must specify the name and address of such state business court, the time and place of the hearing or separate proceeding to be attended, the name of the party so notified or summoned, the name of the case in connection with which such notice or summons is given or served, the capacity in which such party is summoned, the actions that the party so notified or summoned may or must take, and the

deadline by which such actions should be taken (clause 2 of said Article). Notice must be given by a state business court to a party involved in proceedings either at the address specified by such party or at the address of the registered office of such party, if a legal entity (or the registered office of a branch or representative office of such legal entity if the claim in question has arisen out of the operations of such branch or office), or at the residence address of such party, if an individual. The registered office of an organization is located where such organization is officially registered, unless otherwise provided by its constitutive documents in accordance with a federal law (clause 4 of said Article). Any notice given by a state business court to a foreign person must be given in accordance with the rules set forth in this chapter 12 unless otherwise provided by this Code or an international agreement to which the Russian Federation is a party (clause 5 of said Article).

A party involved in proceedings is deemed to be given sufficient notice of a hearing or separate proceeding by a state business court if receipt of a copy of the relevant judicial decision by such party is evidenced by information available to the state business court by the beginning of such hearing or proceeding (Article 123(1) of the Procedural Code).

Article 253(3) of the Procedural Code provides that notice of trial of a lawsuit by a state business court of the Russian Federation must be given to a foreign person involved in such lawsuit by issuing an appropriate court order served by sending an appropriate request to an institution of justice or another competent authority in the relevant foreign jurisdiction if such foreign person is located or resides outside the Russian Federation.

When notice of the time and place of a hearing is given to a party the purpose of such notice is not only to inform that party of the hearing; such notice is also intended to allow the party to exercise his rights to participate in the proceedings, to state his case, to submit appropriate evidence in support of his case and to effectively protect his rights and legitimate interests.

This legal position is stated by the Presidium of the Highest Business Court of the Russian Federation in its resolution No. 3711/02 of November 5, 2002, resolution No. 12213/06 of March 6, 2007 and resolution No. 10045/07 of March 11, 2008.

Copies of the order of April 15, 2008 were sent by the court of first instance to the parties involved in the proceedings by registered mail, return receipt requested, at the respective addresses specified by Farimex Products, Inc. in its statement of claim, as is evidenced by notices of delivery available in the case file (pages 80 and 82-87, book 6 and pages 23 and 37-38, book 7 of the case file).

Copies of the court order of April 15, 2008 were sent to the third parties, including Henrik Torgersen, who is a citizen of Norway, at the address of VimpelCom (10, 8th March Street, Building 14, Moscow 127083).

The record of the May 12, 2008 hearing in case no. A75-2374/2008 shows that neither Henrik Torgersen nor his representative attended the hearing.

A representative of the plaintiff submitted a motion for admission of evidence during the preliminary hearing which evidence included documents of the courier service DHL (CJSC DHL International) evidencing that the court order of April 15, 2008 had been sent to the parties involved in the proceedings. The court granted such motion but acknowledged that the case file did not contain any proof of sufficient notice given to Telenor East Invest AS or Henrik Torgersen.

The court of first instance granted the plaintiff's motion for an order requiring the plaintiff to give notice of the place and time of the rescheduled preliminary hearing to Telenor East Invest AS and Henrik Torgersen (the record of the hearing of May 12, 2008 (page 20, book 7 of the case file)).

The court order of May 12, 2008 rescheduled the preliminary hearing for 2:30 p.m. on June 10, 2008 and required that the plaintiff give notice of the time and place of the hearing to all parties involved in the proceedings (pages 20-21, book 7 of the case file).

A copy of the court order of May 12, 2008 was sent again to Henrik Torgersen at 10, 8th March Street, Building 14, Moscow 127083 (pages 48-50, book 7 of the case file) and was returned by the postal service requesting the sender to confirm the address of the recipient/the name of the relevant organization.

Neither Henrik Torgersen nor his representative appeared at the hearing on June 10, 2008 (the record of the hearing of June 10, 2008 (page 65, book 9 of the case file)).

The court order of June 10, 2008 rescheduled the preliminary hearing for 2:30 p.m. on June 23, 2008 (pages 75-79, book 9 of the case file).

Notice of the hearing scheduled for June 23, 2008 was sent by telegram to Henrik Torgersen at 10, 8th March Street, Building 14, Moscow 127083 (page 45, book 10 of the case file). A telegram sent by the postal service on June 20, 2008 advised the court of first instance that such notice had not been delivered because of the removal of Henrik Torgersen from his office (page 46, book 10 of the case file).

Neither Henrik Torgersen nor his representative attended the hearing of June 23, 2008 (the record of the hearing of June 23, 2008 (page 59, book 10 of the case file)).

It was again ordered by the court of first instance on June 23, 2008, following a motion of the plaintiff, that Mikhail Fridman, Alexey Reznikovich, Arve Johansen, Fridtjof Rusten and Henrik Torgersen be brought into the lawsuit as third parties asserting no separate claim regarding the subject matter in dispute (page 70, book 10 of the case file).

Since the court of first instance believed that the above-mentioned third parties were properly brought in on June 23, 2008 the court was required under Article 51(4) of the Procedural Code to consider the case from the very beginning.

However, the court order of June 23, 2008 stayed the proceedings in the case until July 15, 2008 in connection with a forensic examination and scheduled a hearing for 10:00 a.m. on July 15, 2008 (page 71, book 10 of the case file).

A copy of the order of June 23, 2008 was sent to Henrik Torgersen at VimpelCom's address (10, 8th March Street, Building 14, Moscow 127083) (pages 74-81, book 27 of the case file) and was returned by the postal service requesting the sender to confirm the address of the recipient.

The representative of Fridtjof Rusten as a third party informed the court in his motion of July 15, 2008 that Henrik Torgersen was not a member of VimpelCom's board of directors (which statement was supported by a reference to VimpelCom's website) and, hence, it was not sufficient to give notice of the time and place of the hearing to him at VimpelCom's

address. Fridtjof Rusten's representative also stated that Henrik Torgersen, who is a citizen of Norway, must be given notice as provided by Article 253 of the Procedural Code and the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters (The Hague, November 15, 1965) (see the motion on pages 69-70, book 19 of the case file).

Neither Henrik Torgersen nor his representative appeared at the hearing on July 15, 2008 (the record of the hearing of July 15, 2008 (page 82, book 27 of the case file)). The representative of Fridtjof Rusten as a third party stated that Henrik Torgersen as a third party had not been given sufficient notice, and submitted a motion for postponement of the hearing for this reason (page 83, book 27 of the case file).

The court order of July 18, 2008 (the operative part of which was pronounced on July 15, 2008) resumed proceedings in case no. A75-2374/2008. Third party Fridtjof Rusten's motion to postpone the hearing for failure to give sufficient notice of the time and place of the hearing to parties involved in the proceedings was denied. VimpelCom was again brought in as a third party asserting no separate claim regarding the subject matter in dispute. The motion of Telenor East Invest AS for review by a panel including non-judicial panel members was granted. The case was scheduled for trial by a panel including non-judicial panel members at 10:00 a.m. on August 12, 2008. The plaintiff was ordered to give notice of the time and place of such trial to all parties involved in the proceedings and to submit proof of such notice to the court before the hearing (pages 90 and 94, book 27 of the case file).

The court order of July 30, 2008 scheduled a hearing for 10:00 a.m. on August 12, 2008 to consider a motion to appoint a nominated candidate as a non-judicial panel member (pages 131-132, book 27 of the case file).

The court of first instance stated in its order of July 18, 2008 in connection with denial of Fridtjof Rusten's motion for postponement of the hearing that Henrik Torgersen as a third party had been given notice of the time and place of the hearing at the address of VimpelCom of which he was a director for the time being and that no evidence that Henrik Torgersen was not a director of VimpelCom or resided in the Kingdom of Norway for the time being had been submitted to the court. Except for the details provided by the plaintiff, the court of first instance had no information on the address at which Henrik Torgersen resided or was present for the time being (page 92, book 27 of the case file).

On August 12, 2008, Fridtjof Rusten's representative again submitted a motion for postponement of a preliminary hearing by the time necessary for giving notice in accordance with Russian law and international law to a party who is outside the Russian Federation (pages 87-88, book 28 of the case file).

In support of the arguments that Henrik Torgersen had not served on VimpelCom's board of directors since July 9, 2007, Fridtjof Rusten's representative referred to minutes of VimpelCom shareholders meetings including minutes No. 41 of June 10, 2008, minutes No. 40 of July 9, 2007 and minutes No. 39 of June 23, 2006, a certificate of Russia's Federal Migration Service (the "FMS"), dated August 4, 2008, and a telegram from VimpelCom.

According to minutes No. 39 of June 23, 2006, Henrik Torgersen was elected to VimpelCom's board of directors (page 91, book 28 of the case file). Henrik Torgersen is not listed among the persons elected to VimpelCom's board of directors on July 9, 2007 or

June 10, 2008 (minutes No. 40 of July 9, 2007 on page 98, book 28 of the case file and minutes No. 41 of June 10, 2008 on page 104, book 28 of the case file).

According to the FMS, Henrik Eidemar Torgersen, a citizen of Norway, has made several short trips (between May 26, 2008 and May 28, 2008, between June 18, 2008 and June 19, 2008 and between July 2, 2008 and July 4, 2008) to the Russian Federation since April 14, 2008 (as confirmed by certificate No. MS-3/10929 of August 4, 2008 (page 110, book 28 of the case file)).

Henrik Torgersen is registered at Ryghs Vei 6a, Oslo according to the confirmation, dated July 30, 2008, issued by Norway's tax authority (pages 165-167, book 28 of the case file).

Neither Henrik Torgersen or his representative, nor any representative of VimpelCom appeared in the court of first instance to attend the hearing scheduled for August 12, 2008 (page 79, book 31 of the case file).

Fridtjof Rusten's representative re-affirmed his motion for postponement of the hearing for lack of notice given to Henrik Torgersen.

The hearing started by the court of first instance on August 12, 2008 was suspended until August 14, 2008 and then until August 15, 2008 and ended at 2:05 a.m. on August 16, 2008 upon the pronouncement of the judgment, containing the operative part of the decision (the record of the hearing of August 12-16, 2008 on pages 79-84 and 90-103, book 31 of the case file and the judgment of August 16, 2008 on pages 114-115, book 31 of the case file).

The court order of August 16, 2008 denied Fridtjof Rusten's motion for postponement of a hearing. The court stated in support of such order that Henrik Torgersen had been given notice of the time and place of the hearing started at 10:00 a.m. on August 12, 2008, such notice being evidenced by the following documents submitted by the plaintiff: (i) an apostilled certificate of service, dated August 5, 2008, and a request for service on Henrik Torgersen, dated July 22, 2008, (ii) an apostilled certificate, dated July 31, 2008, regarding the central state registry of legal entities and individuals in Norway, together with its notarized Russian translation, and (iii) an apostilled confirmation of Henrik Torgersen registration address, dated July 30, 2008, issued by Norway's tax authority, together with its notarized Russian translation (page 110, book 31 of the case file).

The full text of the court decision of August 16, 2008 states that neither third party VimpelCom nor third party Henrik Torgersen appeared at the hearing or made any written submission regarding the subject matter in dispute (pages 117 and 118, book 31 of the case file).

Having examined the record of the case, the court of appeals at the first appellate level found that none of the orders given by the court of first instance to agree to hear the claim, to schedule preliminary hearings or to schedule trial for August 12, 2008 were sent to Henrik Torgersen as a third party in a manner permitted by law.

The available evidence received before August 12, 2008 shows that Henrik Torgersen did not serve on VimpelCom's board of directors or resided in the Russian Federation after July 9, 2007 (minutes No. 40 of July 9, 2007, minutes No. 41 of June 10, 2008 and FMS certificate No. MS-3/10929 of August 4, 2008).

Information on the place of residence of Henrik Torgersen in Norway (the confirmation, dated July 30, 2008, issued by Norway's tax authority) was provided to the court of first instance.

Consequently, the court of first instance knew as of the date of its decision that Henrik Torgersen was residing in Oslo, Norway; however, the court of first instance did not send judicial documents to such address in a manner permitted by law.

A judicial document must be served by a state business court in a foreign jurisdiction as provided for by the applicable international agreement to which the Russian Federation and such foreign country are parties.

Russia and Norway are parties to the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters (The Hague, November 15, 1965). Norway signed said Convention on October 15, 1968 and ratified it on August 2, 1969 and the Convention came into force with respect to Norway on October 1, 1969 (such status of the Hague Convention was current as of June 1, 2002).

Article 1 of the Convention provides that the Convention shall apply in all cases, in civil or commercial matters, where there is occasion to transmit a judicial or extrajudicial document for transmission or service abroad.

Article 2 of the Convention states that each Contracting State shall designate a Central Authority which will undertake to receive requests for service coming from other Contracting States and to proceed in conformity with the provisions of Articles 3 to 6.

The authority or judicial officer competent under the law of the State in which the documents originate shall forward to the Central Authority of the State addressed a request conforming to the model annexed to the present Convention, without any requirement of legalization or other equivalent formality. The document to be served or a copy thereof shall be annexed to the request. The request and the document shall both be furnished in duplicate (Article 3 of the Convention).

The document shall be served by the Central Authority of the State addressed as provided for by Article 5 of the Convention.

Article 10 of the Convention states that, provided the State of destination does not object, the present Convention shall not interfere with (a) the freedom to send judicial documents, by postal channels, directly to persons abroad, (b) the freedom of judicial officers, officials or other competent persons of the State of origin to effect service of judicial documents directly through the judicial officers, officials or other competent persons of the State of destination, or (c) the freedom of any person interested in a judicial proceeding to effect service of judicial documents directly through the judicial officers, officials or other competent persons of the State of destination.

However, Article 21 of the Convention provides that a State may declare its opposition to the use of such methods of transmission.

Norway has taken advantage of such option and the Norwegian government objected to the use of the methods of service or transmission in its territory as provided by Articles 8 and 10 of the Convention (item 4 of its Declaration).

The Russian Federation has also objected to service using any of the methods listed by Article 10 of the Convention (item VI of the Declaration of the Russian Federation Relating to the November 15, 1965 Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters).

The state business court that considers a lawsuit is required under Articles 121, 122 and 253(3) of the Procedural Code to give notice and send copies of its judicial decisions to the parties involved in such lawsuit. Any state business court for a political subdivision of the Russian Federation is a body competent to request legal assistance under Article 3 of the Convention (item II of the Declaration of the Russian Federation Relating to the November 15, 1965 Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters).

For this reason, the state business court of first instance (i.e., the State Business Court for the Khanty-Mansi Autonomous Okrug – Yugra) should have directly given notice to Henrik Torgersen in Norway in accordance with Article 3 of the Convention by sending an appropriate request conforming to the approved model and accompanied by copies of the judicial documents to be served.

The July 22, 2008 request of D.S. Chernyi for service and the August 5, 2008 certificate of service on Henrik Torgersen (pages 156-161, book 28 of the case file), which were submitted by the plaintiff to the court of first instance and were taken by the court of first instance into consideration (page 110, book 31 of the case file), cannot be deemed to be proof of sufficient notice given to a third party.

In light of the provisions of the Convention 1965, the reservations made by Norway regarding the methods of service of judicial documents, the Declaration of the Russian Federation relating to the Convention, and Articles 121, 122 and 253(3) of the Procedural Code, no party involved in proceedings (including, but not limited to, a plaintiff) may be ordered to give notice to the other parties involved in the proceedings (including Henrik Torgersen as a third party in the case under review).

Hence, no document submitted by the plaintiff (including the notice from DHL and the certificate of service dated August 5, 2008) is admissible evidence proving that Henrik Torgersen was given sufficient notice of the place and time of hearings held by the court of first instance.

In addition, the request of July 22, 2008 and the certificate of August 5, 2008 which were available to the court of first instance as of August 12, 2008 are accompanied by Russian translations that are obviously unreliable. (The request gives instructions to serve a copy of the order, dated April 15, 2008, scheduling a preliminary hearing for July 18, 2008. The request and the apostilled certificate contain texts in English and Norwegian but their Russian translations are stated to have been done from English.) A translation error is also acknowledged by the translator concerned, whose written statement was submitted by the plaintiff to the court of appeals at the first appellate level. The additional document, dated July 22, 2008, entitled "Summary of the Document to Be Served," which was submitted by the plaintiff during the hearing of December 25-29, 2008 and includes texts in English and Norwegian, was originally stated to have been translated from English in its entirety and a part thereof was additionally translated from Norwegian after it was identified during hearings that its original translation was unreliable.

For these reasons, the information submitted to the court of first instance to confirm the giving of notice of hearings to third party Henrik Torgersen cannot be deemed proper.

Although the plaintiff states that said third party was actually notified of the time and place of the trial the court of appeals at the first appellate level cannot take such statement into account, because such late notification was not sufficient to allow the third party to exercise his rights as a party involved in the proceedings under Article 51 of the Procedural Code.

In view of the above, the court of appeals at the first appellate level believes that it has been established that Henrik Torgersen as a third party was not given sufficient notice of the place or time of the consideration of the case on the merits.

The court of first instance has also violated procedural law in other respects in which a violation should result in the reversal of its judicial decision.

Article 17(1) of the Procedural Code provides that a case considered by a state business court of first instance may be determined by a sole judge or a panel (if so required or permitted by Article 17). Such panel should consist of three judges or a judge and two non-judicial panel members.

If a sole judge or panel starts to consider a case such case must be considered and determined by such judge or panel (Article 18(2) of the Procedural Code).

The court order given by Judge Ye.A. Karankevich on July 18, 2008 (and the operative part of which was pronounced on July 15, 2008) scheduled trial by a panel including non-judicial panel members for 10:00 a.m. on August 12, 2008. The plaintiff and the defendants were ordered to nominate, on or before July 29, 2008, candidates for appointment as non-judicial panel members from the list approved by Resolution No. 22 of the Plenum of the Highest Business Court of the Russian Federation, dated April 19, 2007, and to state whether any of the conditions listed by Articles 21(1)(1)-(4) of the Procedural Code applies to prevent any candidate nominated by a party from participating as a non-judicial panel member in the trial of the case under review (pages 90 and 94, book 27 of the case file).

The court order of July 30, 2008 scheduled a hearing for 10:00 a.m. on August 12, 2008 to consider a motion to appoint a nominated candidate as a non-judicial panel member (pages 131-132, book 27 of the case file).

On August 12, 2008, the hearing was commenced by Judge Ye.A. Karankevich as a sole judge (page 79, book 31 of the case file). The court decided that all motions submitted during such hearing be considered by a panel (page 80, book 31 of the case file). During the hearing of August 12, 2008, the court of first instance effectively considered the question of appointment of non-judicial panel members, gave an order approving Ya.N. Lazukova and E.M. Alibaev as non-judicial panel members and suspended the hearing until 10:00 a.m. on August 14, 2008 (the record of the hearing on page 84, book 31 of the case file; the operative part of the order of August 12, 2008 and the full text of the order of August 13, 2008 on pages 85-89, book 31 of the case file).

Following such recess, the hearing was resumed at 12:10 p.m. on August 14, 2008 before a panel consisting of a judge and two non-judicial panel members. The court of first instance granted a recess on several occasions during the hearing resumed on August 14, 2008 and then suspended the hearing until 12 noon on August 15, 2008; following such recess, the

hearing was resumed on August 15, 2008 (page 101, book 31 of the case file). During the hearing held on August 15, 2008, the court proceeded with the examination of written evidence (page 102, book 31 of the case file). The court declared during that hearing that the consideration of the case on the merits was completed (page 103, book 31 of the case file), and the hearing ended at 2:05 a.m. on August 16, 2008 upon the pronouncement of the judgment, containing the operative part of the decision.

Non-judicial panel members may be appointed during a preliminary hearing or trial (Article 19 of the Procedural Code).

If non-judicial panel members are appointed during the preliminary hearing of a case by a court such appointment bars the court from continuing with the consideration of the case at the hearing held by the court of first instance (i.e., starting the hearing of the case by the court of first instance upon completion of the preliminary hearing), because the case must be considered by the panel so appointed (Article 137(4) of the Procedural Code). The Procedural Code does not provide for any exemption from this rule in a case where non-judicial panel members are appointed (and the panel is, thus, appointed) during trial.

Article 153(2) of the Procedural Code provides that if a lawsuit is considered by a panel the presiding judge must begin a hearing with a call to order and state what lawsuit will be considered (clause 1 of said Article) and then take the actions listed in said Article, including confirming whether the parties involved in the lawsuit have appeared in court, checking whether the parties who are not present in court have been given sufficient notice and what is known about the reasons for their failure to appear, announcing the names of the panel members, explaining that the parties involved in the lawsuit have the right of challenge, creating appropriate conditions to allow a comprehensive and full examination of the evidence and facts in the case, and providing for the review of any statement, application or motion of a party involved in the lawsuit.

It follows from the above provisions that no hearing may continue upon the replacement of a sole judge with a panel. Any such hearing, started by a sole judge, must be adjourned. The panel must begin a new hearing rather than continuing the hearing earlier started by the sole judge.

Since the non-judicial panel members were approved during the hearing scheduled for August 12, 2008, the court should have adjourned such hearing and should have postponed the trial until a later date and have given notice of the time and place of the new hearing to the parties involved in the proceedings. Trial of any case by a state business court must take place at a hearing held by the court and notice of the time and place of such hearing must be given to the parties involved in such case (Article 153(1) of the Procedural Code).

The record of the hearing of August 12-16, 2008 shows that VimpelCom and Henrik Torgersen as third parties did not attend the hearing.

In the absence of VimpelCom and Henrik Torgersen at the hearing started on August 12, 2008, the decision to continue the hearing (despite procedural obstacles to such continuation and the court's duty to postpone trial in order to allow the consideration of the case by the panel during a new hearing) deprived such parties of the right to know about the appointment of a panel and about the specific non-judicial panel members prior to the hearing and the right to participate in the hearing and protect their interests.

Although the order, dated July 18, 2008, scheduling trial by a panel including non-judicial panel members for 10:00 on August 12, 2008, was sent to VimpelCom this cannot be deemed to be sufficient notice of the hearing actually held on August 12-16, 2008 which hearing began with the appointment of nominated candidates as non-judicial panel members and continued before a panel including Ya.N. Lazukova and E.M. Alibaev who were approved as non-judicial panel members on August 12, 2008. As a result of such arrangement, the case was considered by the court during the hearing of which VimpelCom as a third party had not received sufficient notice and which was not attended by VimpelCom.

The court of first instance violated procedural rights of VimpelCom and Henrik Torgersen as third parties and such violations constitute an absolute ground for reversing the decision of the court of first instance under Article 270(4)(2) of the Procedural Code.

No order appointing/approving nominated candidates as non-judicial panel members may be appealed (Article 188(1) of the Procedural Code). If a party has good reason to disagree with such an order such party may request during a hearing that the relevant non-judicial panel member be disqualified (item 6 of Information Letter No. 82 of the Presidium of the Highest Business Court of the Russian Federation, dated August 13, 2004 (On Certain Aspects of the Application of the Code of Arbitration Procedure of the Russian Federation)). The right of challenge to disqualify a judge or a non-judicial panel member is available to any party involved in proceedings under Article 24 of the Procedural Code.

When the hearing continued after the approval of non-judicial panel members on August 12, 2008, even the parties whose representatives attended the hearing of August 12-16, 2008 were unable to exercise their right of challenge.

The record of the hearing of August 12-16, 2008 shows that the representatives of Fridtjof Rusten, Arve Johansen and Telenor East Invest AS submitted challenges on August 14, 2008 to disqualify non-judicial panel members and the presiding judge but the court of first instance held that such challenges did not comply with Article 24(2) of the Procedural Code (pages 95-97, book 31 of the case file). Article 24(2) of the Procedural Code states that any challenge must be submitted before the commencement of the consideration of the case on the merits.

Such failure by the court of first instance to comply with Articles 18(2) and 153(2) of the Procedural Code could result in an incorrect decision and constitutes a ground for reversing the decision of the state business court of first instance under Article 270(3) of the Procedural Code.

Upon review of the arguments made by defendant Telenor East Invest AS and third parties Arve Johansen, Fridtjof Rusten and Henrik Torgersen regarding failures by the court of first instance to comply with other provisions of procedural law (including lack of sufficient notice given to Telenor East Invest AS, the consideration of the case by an illegal substitute judge, a failure to comply with the applicable language rules, a failure to comply with the requirement for the confidentiality of the judges' deliberations before they take a decision, a decision of the court on the rights and obligations of Terje Thon, who had not been brought into the lawsuit, and the consideration of the case other than in accordance with the rules of territorial jurisdiction), the court of appeals at the first appellate level determined that such arguments do not provide a basis for reversing the decision taken by the state business court of first instance.

According to the information, dated June 30, 2008, obtained from the State Registration Chamber under the Ministry of Justice of the Russian Federation and made part of the record of the case, Telenor East Invest AS, a Norwegian company, was not recorded in the consolidated state register of representative offices of foreign companies accredited in the Russian Federation as of June 30, 2008 (pages 37-38, book 33 of the case file), and, by virtue of Article 253(3) of the Procedural Code, notice should have been given by the state business court to Telenor East Invest AS in the same manner as it should have been given to Henrik Torgersen as a third party. However, the evidence in the case shows that representatives of Telenor East Invest AS attended the hearing of July 15, 2008 and the hearing of August 12-16, 2008 (when the case was considered on the merits) and substantiated its case. Article 270(4)(2) of the Procedural Code provides that an absolute ground for reversing a court decision arises if the relevant case is considered in the absence of a party who has not been given sufficient notice of the time or place of the hearing of the case.

Although it is true that the directive of July 30, 2008 substituted Judge N.I. Podgurskaya for Judge Ye.A. Karankevich in connection with regular leave taken by Judge Ye.A. Karankevich (page 40, book 28 of the case file), that Judge N.I. Podgurskaya gave the order, dated July 30, 2008, scheduling a hearing to consider a motion to appoint nominated candidates as non-judicial panel members and that the directive of August 11, 2008 substituted Judge Ye.A. Karankevich for Judge N.I. Podgurskaya in connection with his return from leave (page 41, book 28 of the case file) this facts do not prove that the case was considered by an illegal substitute judge. As shown by the record of the case, Judge N.I. Podgurskaya did not proceed with the consideration of case no. A75-2374/2008 on the merits. The case was considered by Judge Ye.A. Karankevich (as a member of the panel including non-judicial panel members and considering the case) who originally agreed to hear the case.

The failure to comply with the applicable language rules is claimed by the appellants in connection with a letter from Henrik Torgersen which is contained in the case file. Such letter is in a foreign language and was received by the court of first instance on August 18, 2008 (page 132, book 31 of the case file) and by e-mail on August 11, 2008 (page 46, book 31 of the case file).

During the hearing started on August 12, 2008, motions to appoint a translator were submitted by the plaintiff and, subsequently, Telenor East Invest AS. The court of first instance denied such motion.

However, denial of a motion to appoint a translator to translate a document received by a court into Russian may not suggest a failure to comply with the applicable language rules in connection with the consideration of the case concerned.

Article 12 of the Procedural Code provides that any proceedings must be conducted in a state business court in the Russian language, which is the official language of the Russian Federation (clause 1 of said Article). The court must explain to each party who is involved in the proceedings and does not speak Russian that such party has, and ensure that such party is able to exercise, the rights to review the evidence in the case, to participate in proceedings, to speak in his native language, or a language of communication of his choice, in court and to use a translator's services (clause 2 of said Article).

Only a violation of Article 12 constitutes a failure to comply with the language rules in connection with the consideration of a case.

Failure by a court to take steps to cause the translation of a document into Russian is not a failure to comply with the language rules in connection with the consideration of a case.

Article 255(2) of the Procedural Code provides that any document prepared in a foreign language and submitted to a state business court of the Russian Federation must be accompanied by a duly certified Russian translation thereof.

No Russian translation of the letter (pages 46 and 132, book 31 of the case file) has been submitted even to the court of appeals at the first appellate level.

The appellants and […] of Henrik Torgersen as a third party claim a failure to comply with the requirement for the confidentiality of the judges' deliberations before they take a decision. However, none of them has described any fact showing that the decision was taken by the panel under the conditions that do not ensure the confidentiality of the judges' deliberations (Article 167(3) of the Procedural Code), or has submitted any proof of such fact.

The record of the hearing of August 12-16, 2008 states that the panel retired to the consultation room following the consideration of the case on the merits in order to take a judicial decision and then pronounced its judgment, containing the operative part of the decision.

The court decision of August 16, 2008 does not show that it concerns any right or obligation of Terje Thon, who has not been brought into the lawsuit.

The appellants and Henrik Torgersen's representative argue that the court of first instance considered the case other than in accordance with the rules of territorial jurisdiction. This argument is rejected by the court of appeals at the first appellate level for the following reasons.

A defendant in the case under review is CT-Mobile, a company registered in Nizhnevartovsk, Khanty-Mansi Autonomous Okrug.

Article 36 of the Procedural Code provides that a plaintiff who files a claim against several defendants registered or residing in different political subdivisions of the Russian Federation may lay the venue in the district where any of the defendants is registered or resides (clause 2 of said Article). If a claim is filed against a defendant registered or residing in a foreign jurisdiction he may be sued in the venue where any property of the defendant is located in the Russian Federation (clause 3 of said Article). Subject to this Article, the plaintiff has the right to lay the venue where he pleases (clause 7 of said Article).

Under such circumstances, the plaintiff had the right to file its claim with the State Business Court for the Khanty-Mansi Autonomous Okrug, which had no reason under Article 39 of the Procedural Code to transfer the case to another state business court.

The court of appeals at the first appellate level also took into consideration that the State Business Court for the Khanty-Mansi Autonomous Okrug previously considered a lawsuit filed by Avenue Limited, Santel Limited and Jan[ow] Properties Limited seeking invalidation of a certain shareholders agreement dated August 6, 2001 among Limited Liability Company CT-Mobile, Open Joint Stock Company Telecominvest, Sonera Holding B.V., Telia International A.B., Telia International Management A.B. and IPOC International Growth Fund Limited.

The legality of the decision taken by the State Business Court for the Khanty-Mansi Autonomous Okrug on December 29, 2004 and of the decision taken at the first appellate level on June 8, 2005, in each case in connection with the above-mentioned case (reference No. A75-3725 G/04-860/2005) was reviewed by the Federal Business Court for the West Siberian District at the second appellate level and said appellate court concluded that the lower court had not violated Articles 36(2) or 36(7) of the Procedural Code concerning territorial jurisdiction and authorizing a plaintiff to choose any qualifying state business court as he pleases and that the plaintiffs had the right to apply to the State Business Court for the Khanty-Mansi Autonomous Okrug and such state business court was authorized to agree to hear the lawsuit and to consider the dispute on the merits, because one of the defendants, namely, Limited Liability Company CT-Mobile (which was subsequently reorganized into Open Joint Stock Company CT-Mobile), was registered in Nizhnevartovsk (the decision, dated March 31, 2006, taken by the Federal Business Court for the West Siberian District in case no. F04-2109/2005 (14105-A75-11), F04-2109/2005 (15210-A75-11), F04-2109/2005 (15015-A75-11), F04-2109/2005 (14744-A75-11), F04-2109/2005 (14785-A75-11).

During the hearing of December 29, 2008, the plaintiff, Farimex Products, Inc., submitted a written application for measures in aid of execution and a motion concerning steps to be taken to execute judicial decisions which application and motion related to the situation where the court of appeals at the first appellate level would re-affirm the court decision of August 16, 2008 or take a judicial decision satisfying the claim in its entirety or in part.

Such application and motion should be denied because the court of appeals at the first appellate level decided to reverse the court decision appealed.

Article 270(5) of the Procedural Code provides that a state business court of appeals at the first appellate level must consider a case in accordance with the rules established by this Code for the purposes of the consideration of a case by a state business court of first instance if the court decision taken in such case is reversed by such court of appeals on any of the grounds specified by Article 270(4) of the Procedural Code.

With reference to Articles 269(2), 270(4)(2), 270(5) and 271 of the Code of Arbitration Procedure of the Russian Federation,

IT IS DECIDED THAT

The decision, dated August 16, 2008, taken by the State Business Court for the Khanty-Mansi Autonomous Okrug – Yugra in case no. A75-2374/2008, be reversed and this court proceed with considering said case in accordance with the rules established by the Code of Arbitration Procedure of the Russian Federation for the purposes of the consideration of a case by a state business court of first instance;

The case be considered at a hearing in the Eighth Appellate Business Court at 42, 10 Let Oktyabrya Street, room 2, Omsk at 10:00 a.m. on February 19, 2009; and

The application from Farimex Products, Inc. for measures in aid of execution and its motion concerning steps to be taken to execute judicial decisions be denied.

This decision shall take effect from the date when it was taken and may be appealed to the Federal Business Court for the West Siberian District at the second appellate level within two months of the date on which its full text was prepared.

[signed]
Ryabukhina
Presiding Judge

[signed]
A.N. Glukhikh
Judge

[signed]
D.V. Ilnitskaya
Judge

[Stamp: Copies of the decision have been issued
January 13, 2009
G.V. Leonova
Clerk
Eighth Appellate Business Court]