

## **Intec extends relationship with VimpelCom with contract worth over \$500,000 for new Interconnect Automated Reconciliation system**

Submitted by: Intec Telecom Systems

Tuesday, 24 August 2004

---

August 24, 2004: Intec Telecom Systems, a global provider of operations support systems (OSS) for fixed, mobile and IP/next-generation networks, today announced it has signed a contract with VimpelCom, one of Russia's leading providers of wireless telecommunications services, for Intec's Interconnect Automated Reconciliation (Interconnect AR) solution. The deal, worth in excess of \$500,000, will allow VimpelCom to automate the process of reconciling incoming invoices and outgoing bills for interconnection charges. The deal extends Intec's relationship with VimpelCom, which is already rolling out Intec's market-leading Interconnect billing system across its GSM properties in Russia.

VimpelCom currently has in excess of 15 million subscribers across Russia. "VimpelCom is growing rapidly as Russian consumers sign up for GSM services in ever increasing numbers," said Vimpelcom Vice-President, Mr. Andrei Kouznetsov. "We are also growing the number of interconnection agreements we have with other operators across Russia and around the world. Accurate interconnect bill reconciliation is very important to ensure that we are not being overcharged by, or overcharging, our partners. Interconnect AR will also allow us to substantially cut the time and cost associated with this business activity, and we expect to achieve rapid return on investment through more accurate bills and reduced operational expenses."

Interconnect bill reconciliation is a time-consuming and expensive process for operators. Such bills commonly represent tens or even hundreds of millions of Pounds of both revenue and cost to carriers, and even small delays and inaccuracies in settlement can have a substantial impact on cashflow and profitability.

"This is a key win at one of the world's fastest growing mobile carriers," said Intec CEO, Kevin Adams. "Intec is expanding the portfolio of carrier grade OSS it can offer to customers, with an emphasis on strong return on investment. Interconnect AR will help VimpelCom to cut costs in the complex area of bill reconciliation as well as improving the accuracy and completeness of its billing processes."

Interconnect AR enables automation of the process for comparing interconnect charge information from multiple interconnect accounting systems. It automates bill reconciliation processes through exchange, comparison and settlement of aggregated billing data. This helps avoid the overhead of manual handling of individual transactions – reducing settlement time and improving the accuracy of interconnect charges. Interconnect AR supports both generic reconciliation and reconciliation using established standards such as CODIFI and DETRAF.

Automated reconciliation offers the opportunity not only to speed up the settlement process, but also to make better use of resources, reduce operating costs and streamline business processes. Automatic reconciliation shortens settlement cycles by automating a number of processes and reducing the risk of disputes. Cash-flow management is improved, as amounts payable and receivable can be traced and monitored closely at different stages. Automatic reconciliation need not be restricted to a simple comparison of

rated information: it can also be used to identify areas of dispute and suggest potential resolutions. It can also provide automatic adjustments. Financial risk can be minimised by operators agreeing to pay an amount on the understanding that there will be a later adjustment after reconciliation.

#### About VimpelCom

VimpelCom (NYSE: VIP) is one of Russia's leading providers of wireless telecommunications services. The company operates under the 'Bee Line GSM' brand, one of the most recognized brand names in Russia. VimpelCom is recognized for introducing two digital cellular communications standards in Russia. It built the first dual band GSM-900/1800 cellular network in Russia and leads the development and emergence of the mass consumer market for wireless telecommunications in Russia with prepaid products.

VimpelCom offers telecommunications airtime and value-added services through GSM and D-AMPS wireless networks, with around 98% of its subscribers using GSM. It provides interconnections with other fixed and mobile networks and access to roaming - all under contract and prepaid payment plans. The VimpelCom Group's license portfolio covers approximately 94% of Russia's population (136 million people), including the City of Moscow, the Moscow Region and the City of St. Petersburg.

As of May 27, 2004, VimpelCom's total number of subscribers was 14.93 million, with 6.22 million subscribers in the Moscow license area and 8.72 million subscribers in the regions outside Moscow. VimpelCom was the first Russian company to list its securities on the New York Stock Exchange (NYSE) in November 1996. Its ADSs (American Depositary Shares) are traded under the symbol "VIP".

#### About Intec Telecom Systems

Intec Telecom Systems is the world's leading Operations Support Systems ("OSS") product vendor for fixed, mobile and next-generation networks (i.e. WLAN, 3G and IP), with more than 580 installations of its products worldwide in over 400 customers. Founded in 1997, Intec was listed on the London Stock Exchange (Code: ITL.L) in June 2000. In 2003 Intec reported revenues of £50.7 million, with adjusted net earnings after tax of £4.1 million.

Intec's product portfolio includes:

- Inter-mediatiE™ - convergent mediation solution
- Interconnect™ - inter-carrier billing including US CABS and ITU-based settlement
- Inter-activatE™ - flow-through provisioning and activation
- Intec CPM™ - end-to-end content partner management
- Intec DCP™ (Dynamic Charging Platform) – a real-time pre/post-paid charging interface between the network and the back office

Intec's customer base includes, among others, BellSouth, BellSouth Peru, Brazil Telecom, Cable & Wireless, Cesky Telecom (Czech Republic), China Unicom, COLT Telecommunications, EBT (Taiwan), Eircom (Ireland), France Telecom, Hutchison 3G, Maxis (Malaysia), Nitel (Nigeria), Reliance (India), Singtel Optus (Australia), O2 Ireland, Orange, Telecom Argentina, Telecom Egypt, Telecom Italia, Tiscali, TPSA (Poland), Swisscom, T-Mobile International, Telia (Sweden), Telefonica, Telkom South Africa, Telstra, US Cellular, Westel (Hungary), Vodafone, VimpelCom (Russia), Vivo (Brasil) and Verizon.

For more information on Intec Telecom Systems, visit the website at <http://www.intec-telecom-systems.com>