

# VimpelCom Dropping Capex

By [The Moscow Times](#)

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Telecommunications holding VimpelCom Ltd. plans capital expenditures at 19 percent of revenue in 2012, according to company materials issued Wednesday. Capital expenditures in 2011 totaled about \$6.35 billion, or 31.3 percent of revenue, of which \$2 billion went into Russia, Interfax reported.

The high expenditures in 2011 are attributed to investment in acquiring LTE licenses in Italy and extending a 2G license in Bangladesh as well as increasing investment in the Russian business, VimpelCom said. Without spending on acquiring licenses, expenditures would have reached 21.4 percent of revenue. The key areas of investment in 2012 are upgrading existing infrastructure, expanding 3G networks and LTE development.

VimpelCom plans to reduce the capex to revenue ratio to 15 percent in 2014 and keep expenditures in Russia in 2012 at the same level as last year.

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