

# VimpelCom Ltd

Group financial results for the  
third quarter of 2010

Amsterdam

December 2<sup>nd</sup>, 2010



# Disclaimer

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**This presentation contains "forward-looking statements", as the phrase is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate to the Company's strategy, development plans and anticipated performance. The forward-looking statements are based on management's best assessment of the Company's strategic and financial position, and future market conditions and trends. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of continued volatility in the economies in the markets in which the Company operates, unforeseen developments from competition, governmental regulation of the telecommunications industries and general political uncertainties in the markets in which the Company operates and/or litigation with third parties. The actual outcome may also differ materially if the Company is unable to obtain all necessary corporate approvals relating to its business, if the Company is unable to successfully integrate newly-acquired businesses and other factors. There can be no assurance that these risks and uncertainties will not have a material adverse effect on the Company, that the Company will be able to grow or that it will be successful in executing its strategy and development plans. Certain factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in the Company's registration statement on Form F-4 filed with the U.S. Securities and Exchange Commission (the "SEC"), OJSC VimpelCom's public filings with the SEC, including its Annual Report on Form 20-F for the year ended December 31, 2009, and other public filings made by the Company with the SEC, which risk factors are incorporated herein by reference. VimpelCom disclaims any obligation to update developments of these risk factors or to announce publicly any revision to any of the forward-looking statements contained herein, or to make corrections to reflect future events or developments.**

# Participants

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## Presentation

### **Alexander Izosimov**

President and Chief Executive Officer

### **Henk van Dalen**

Chief Financial Officer

## Q&A Session

will be joined by:

### **Elena Shmatova**

Head of Russian operations

### **Dmitry Kromsky**

Head of the CIS operations

### **Andrew Simmons**

CFO of Ukrainian operations

### **Alexey Subbotin**

Head of Investor Relations

# Corporate highlights

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## Quarterly results

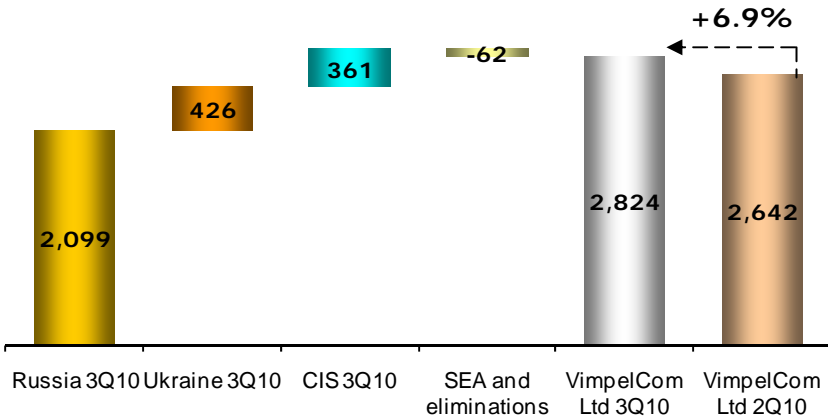
- Number of mobile subscriptions up to 92.0 million (40.7% y-o-y)
- Broadband subscriptions grew to 3.1 million (58.8% y-o-y)
- Net operating revenues increased by 24.1% year-on-year to \$2.8bn
- Adjusted OIBDA\* up to \$1.4bn (20.0% y-o-y), consolidated OIBDA margin at 48.8%
- Free cash flow for nine months amounted to \$1.6bn
- Net income attributable to VimpelCom up to \$0.5bn

## Recent developments

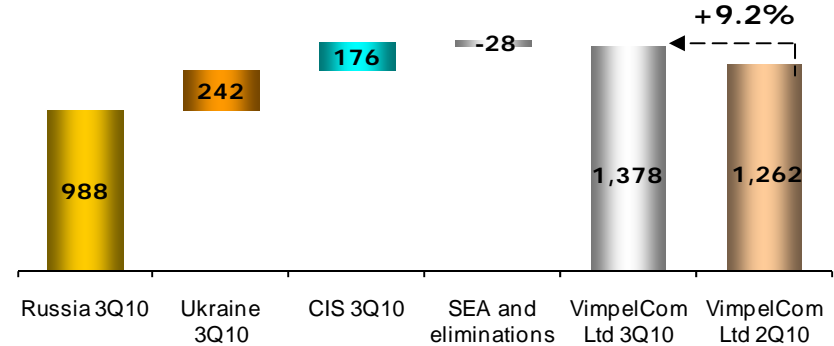
- Ukrainian Anti-Monopoly Committee has confirmed its prior approval for merger with Kyivstar GSM under VimpelCom Ltd
- Raised Ruble bonds for 20 billion rubles for five years at 8.3%
- Commercial launch of 3G network in Kazakhstan and Kyrgyzstan
- Signed an agreement to combine VimpelCom and Weather Investments to create a new global telecom group
- Supervisory Board declared the payment of an interim dividend of US\$0.46 per ADS

# Group Financial Highlights

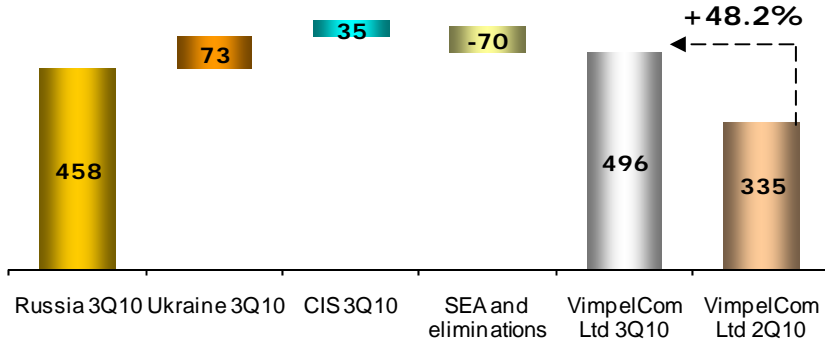
Revenue\*, USD mln



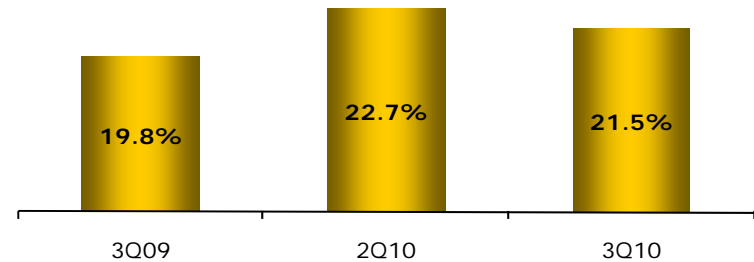
OIBDA\*\*, USD mln



Net Income attributable to VimpelCom Ltd, USD mln



ROCE, %

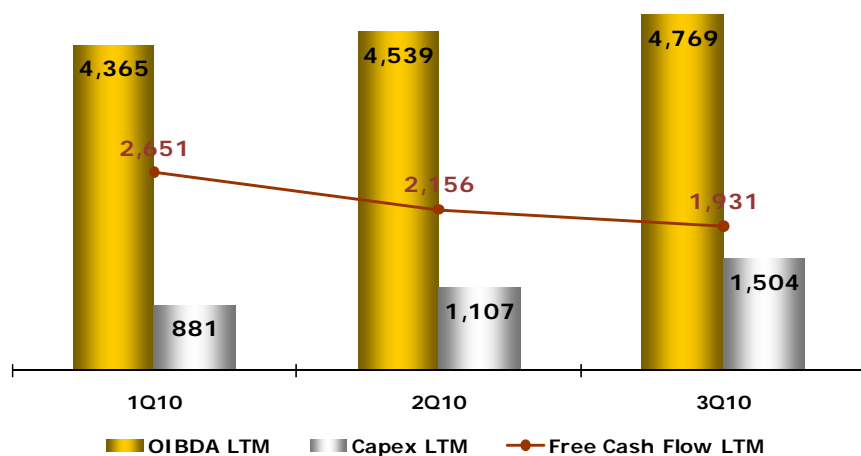


\* Hereafter refers to Net operating revenues

\*\* Hereafter Adjusted OIBDA and Adjusted OIBDA margin are referred to as OIBDA and OIBDA margin respectively

# Group Financial Position

## Liquidity position, USD mln



## Key Ratios and Indicators

(\$ mln)	Sept 30, 2010	Jun 30, 2010	Mar 31, 2010	Dec 31, 2009
<b>Cash and Cash Equivalents</b>	<b>2,467</b>	<b>2,353</b>	<b>1,530</b>	<b>1,447</b>
<b>Total Assets</b>	<b>21,046</b>	<b>20,943</b>	<b>15,032</b>	<b>14,733</b>
<b>Total Debt</b>	<b>6,493</b>	<b>6,333</b>	<b>6,648</b>	<b>7,353</b>
-Short-term	2,126	1,532	1,356	1,813
-Long-term	4,367	4,801	5,292	5,540
<b>Equity and redeemable noncontrolling interest</b>	<b>11,657</b>	<b>11,160</b>	<b>5,888</b>	<b>5,017</b>
<b>LTM OIBDA*</b>	<b>4,769</b>	<b>4,539</b>	<b>4,365</b>	<b>4,272</b>
- LTM Depreciation, amortization and impairment loss	1,939	1,829	1,732	1,694
- LTM Operating income	2,830	2,710	2,633	2,578
<b>LTM Interest expense</b>	<b>563</b>	<b>595</b>	<b>603</b>	<b>599</b>
<b>Debt/Equity and redeemable noncontrolling interest</b>	<b>0.6</b>	<b>0.6</b>	<b>1.1</b>	<b>1.5</b>
<b>Debt/OIBDA<sub>LTM</sub></b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.7</b>
<b>OIBDA<sub>LTM</sub>/Interest expense<sub>LTM</sub></b>	<b>8.5</b>	<b>7.6</b>	<b>7.2</b>	<b>7.1</b>
<b>Debt/Assets</b>	<b>0.31</b>	<b>0.30</b>	<b>0.44</b>	<b>0.50</b>
<b>Net Debt**</b>	<b>4,026</b>	<b>3,980</b>	<b>5,118</b>	<b>5,906</b>

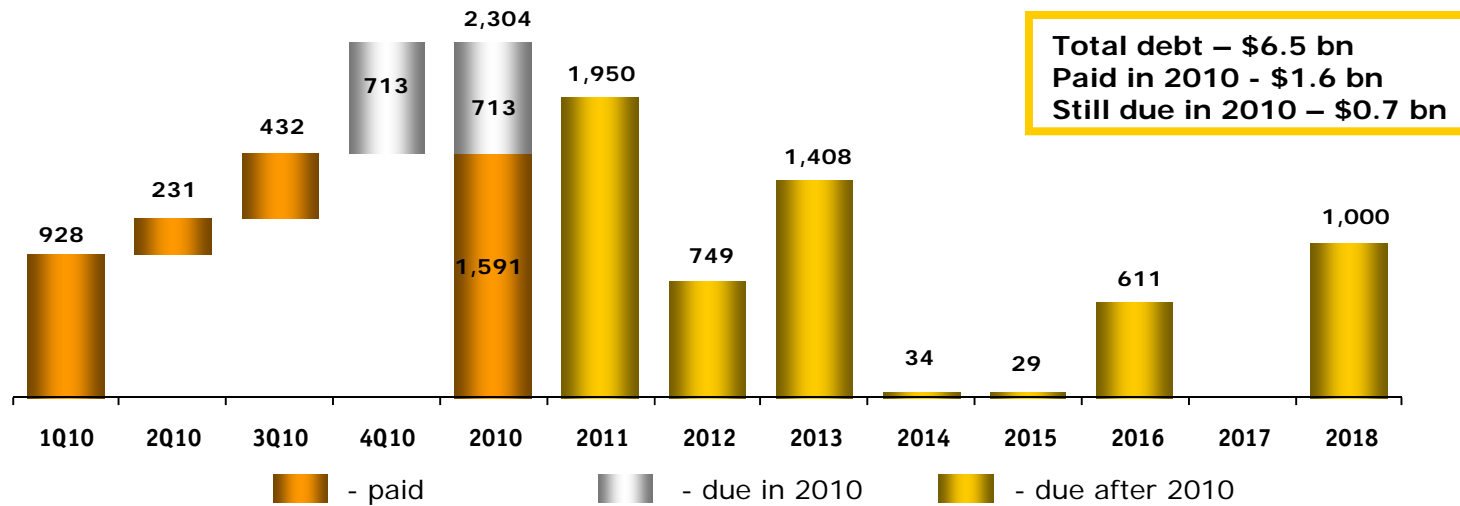
\* LTM OIBDA represents an adjusted OIBDA which constitutes the sum of the lines: LTM Operating Income and LTM Depreciation and Amortization. LTM stands for the "last twelve months" to reporting date.

\*\*Net Debt is calculated as Total Debt minus Cash and cash equivalents

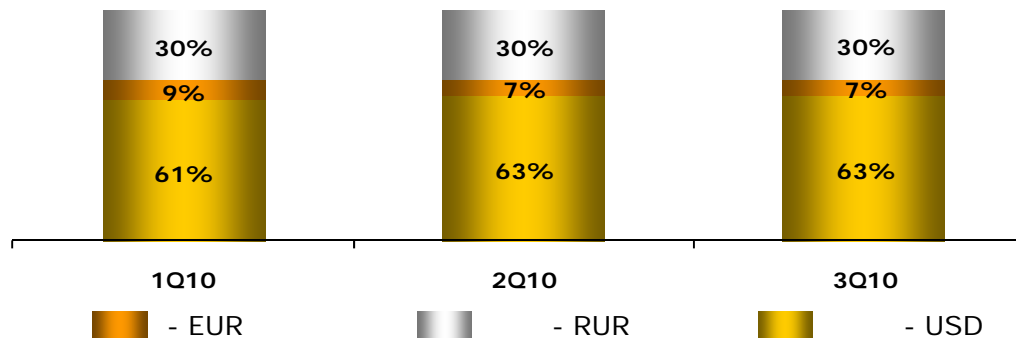
Free cash flow is calculated as Net income plus depreciation, amortization and impairment loss and minus capital expenditures

# Group Debt Profile as of September 30, 2010\*

## Debt Maturity Schedule, USD mln



## Debt Composition by Currency



# Dividend policy

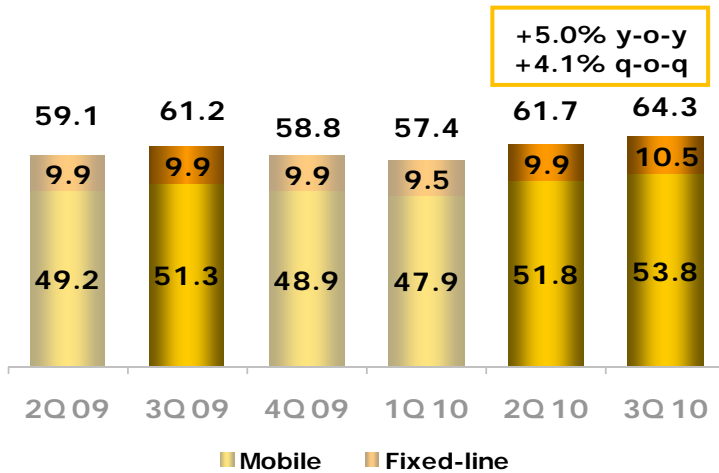
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- On November 15, 2010, Supervisory Board declared the payment of an interim dividend of US\$0.46 per ADS or \$600 million
- The annual dividends are equal to a minimum of 50% of Free Cash Flow from Kyivstar and 50% of Free Cash Flow from VimpelCom's Russian operations
- Free Cash Flow is defined as consolidated net income plus depreciation and amortization minus capital expenditures
- The payments may be in the form of annual and interim dividends as well as extraordinary dividends
- The exact amount and timing of any dividend declarations and payments will require VimpelCom Board approval

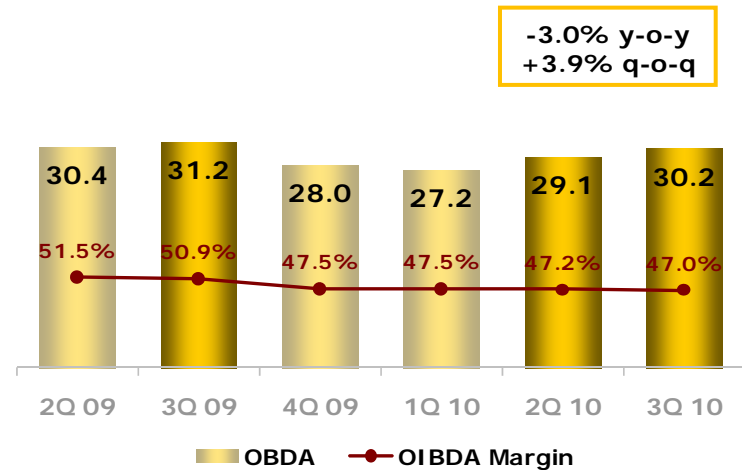


# Russia: Financial Highlights

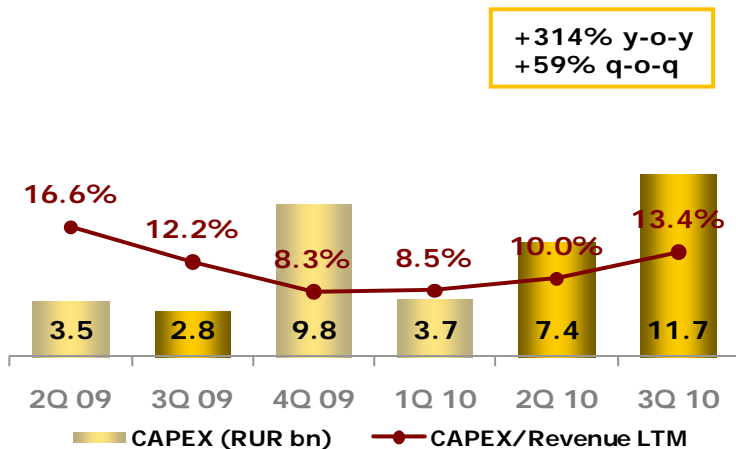
Revenue, RUR bn



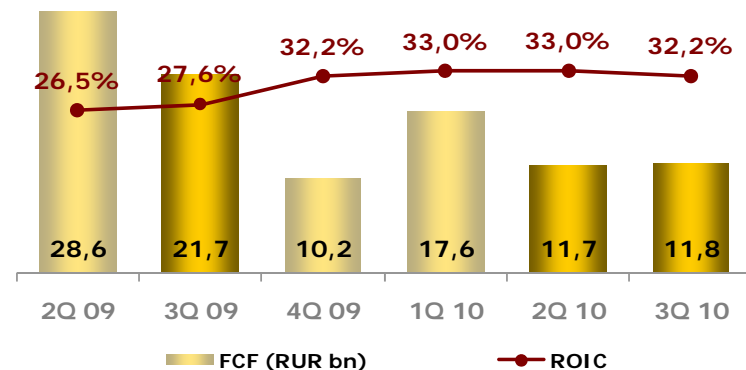
OIBDA (RUR bn) and OIBDA Margin



CAPEX

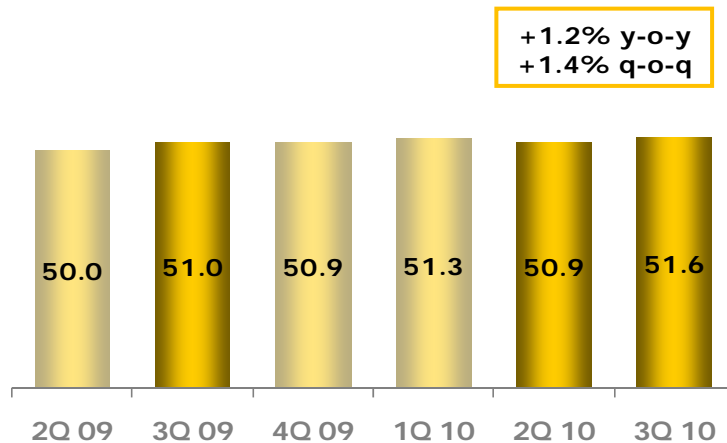


FCF (RUR bn) and ROIC

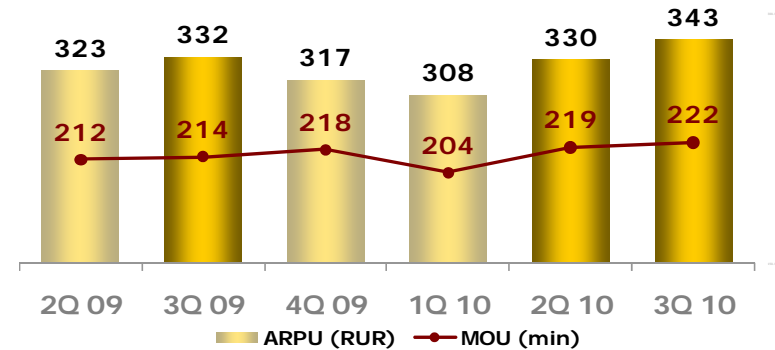


# Russia: Operating Highlights

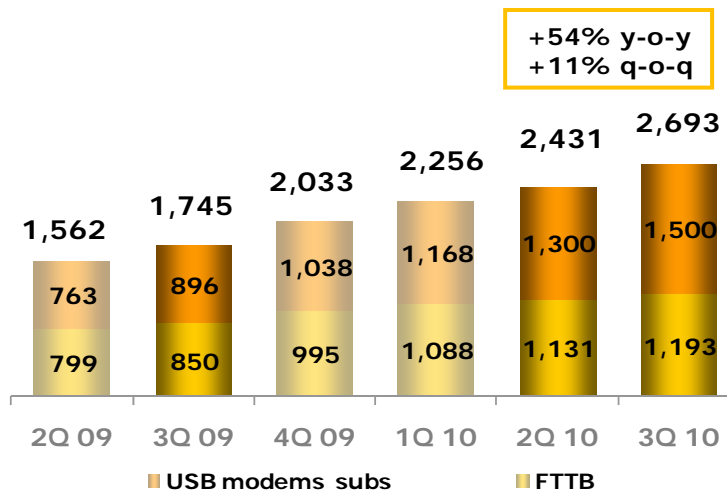
Mobile subscriptions, mln



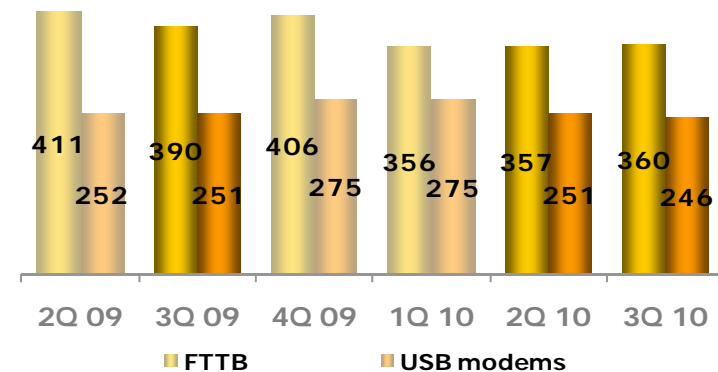
ARPU and MOU



Broadband subscriptions, '000

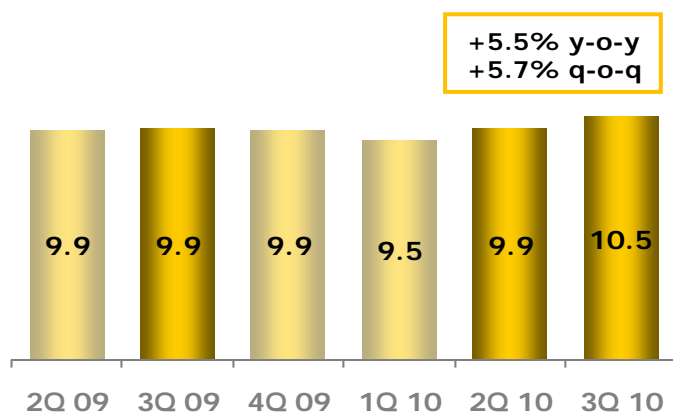


Broadband ARPU, RUR

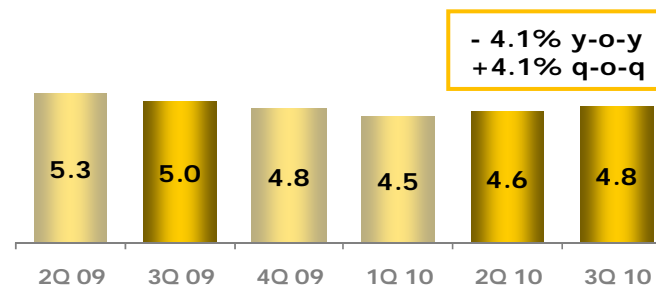


# Russia Fixed-line Operations

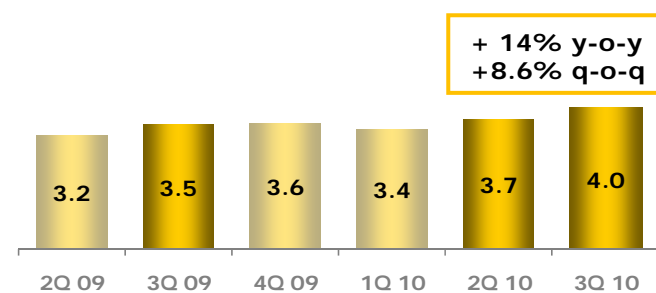
Revenue, RUR bn



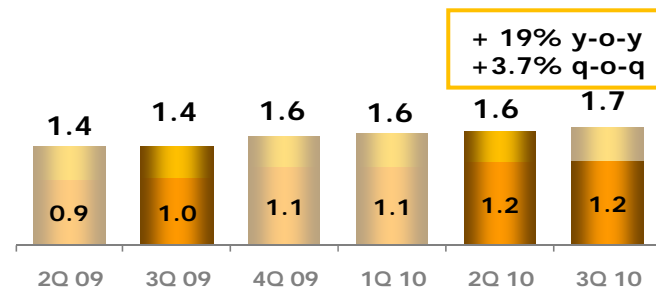
Business segment, RUR bn



Wholesale segment, RUR bn



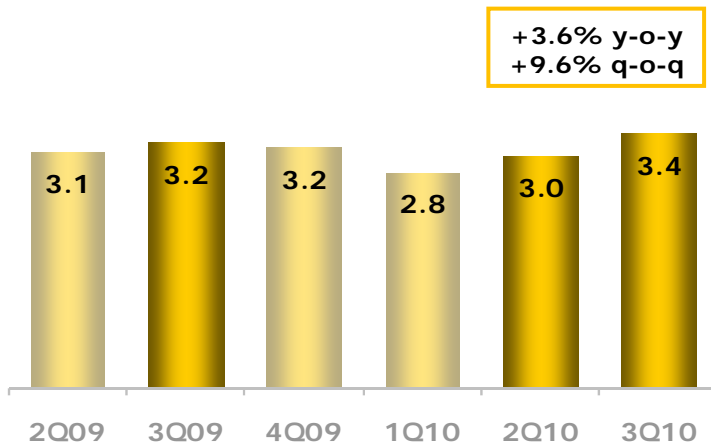
Residential segment revenue, RUR bn



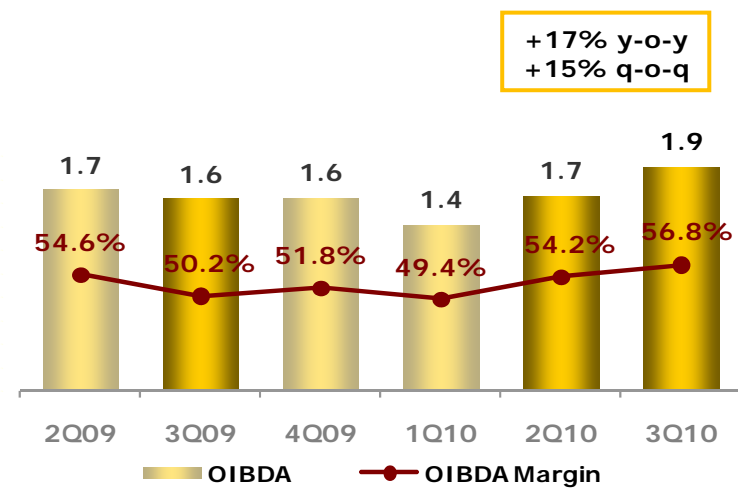
■ - FTTB revenue

# Ukraine (pro-forma): Financial Highlights

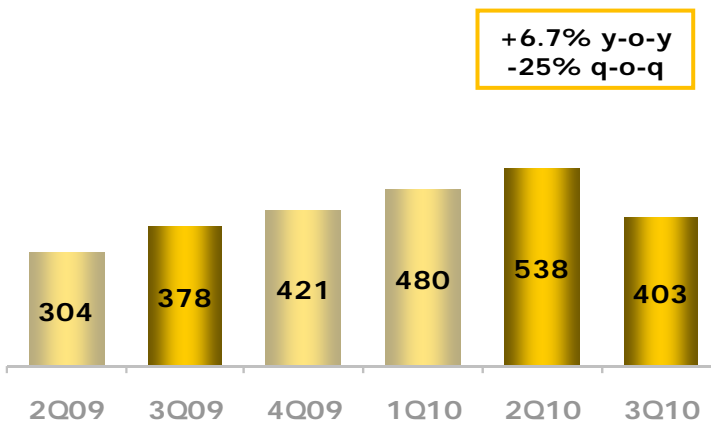
Revenue, UAH bn



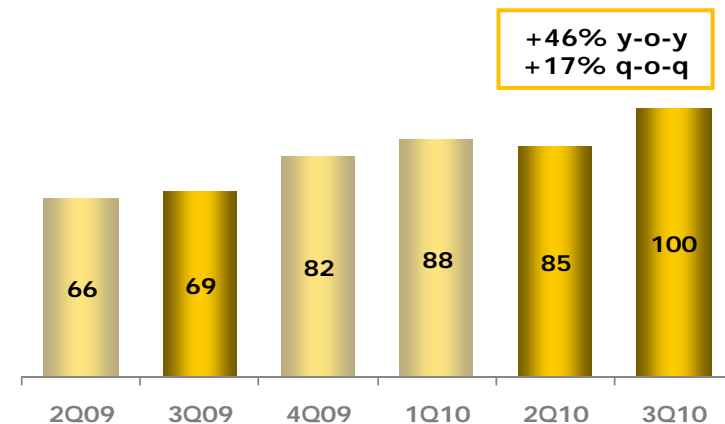
OIBDA (UAH bn) and OIBDA Margin



CAPEX, UAH mln

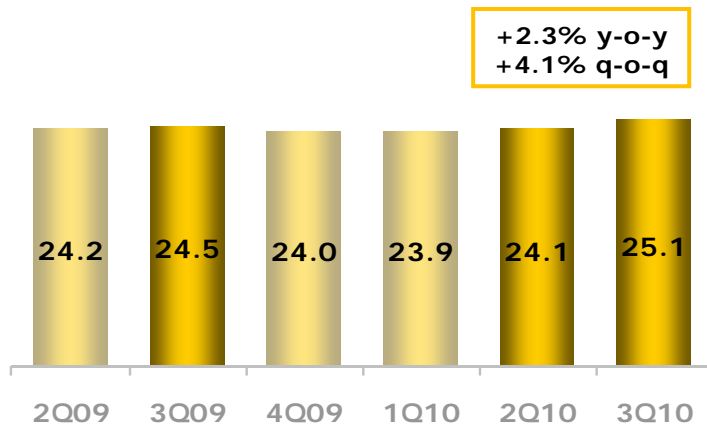


Mobile data revenue, UAH mln

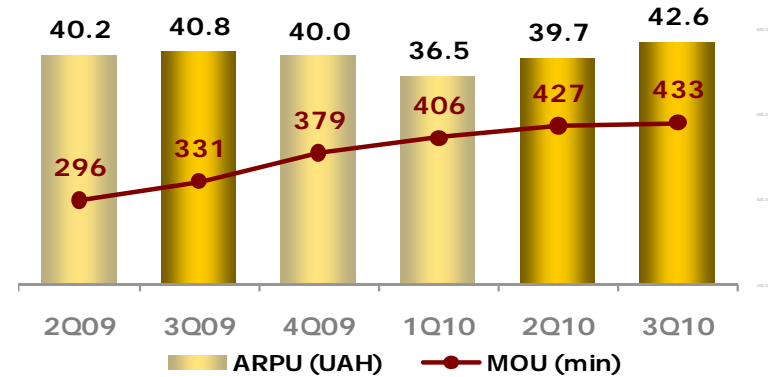


# Ukraine (pro-forma): Operating Highlights

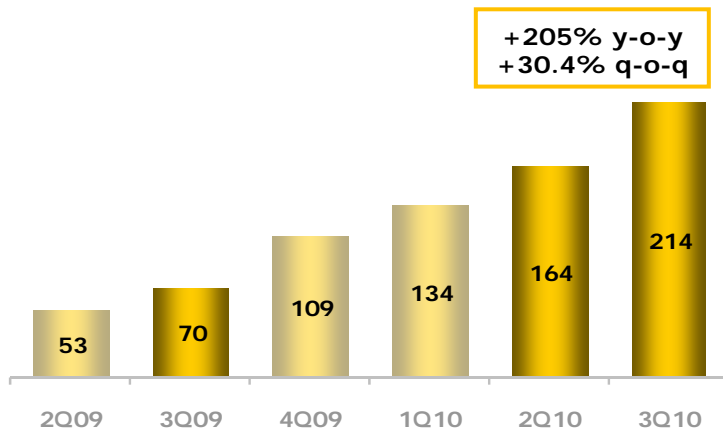
Mobile subscriptions, mln



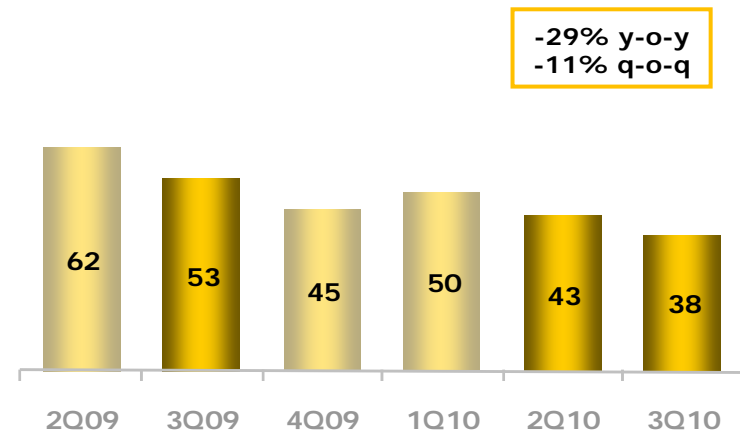
ARPU and MOU



Fixed-line broadband subscriptions, '000

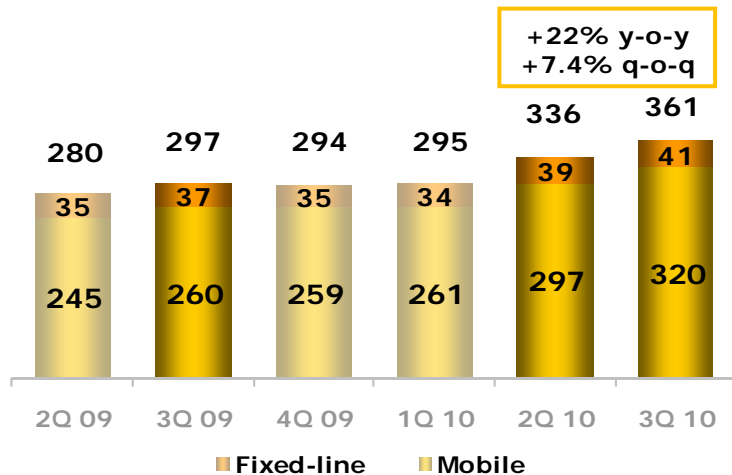


Fixed-line broadband ARPU, UAH

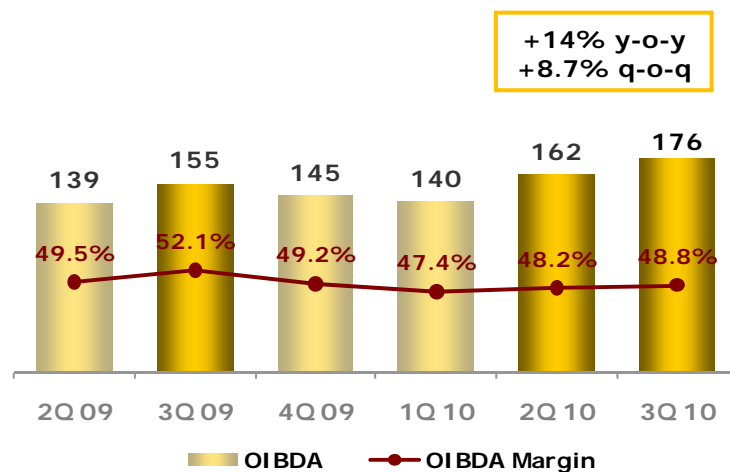


# CIS Operations\*

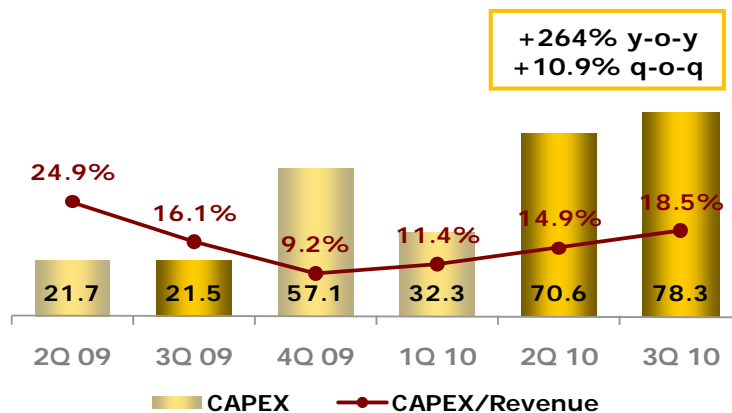
## Revenue, USD mln



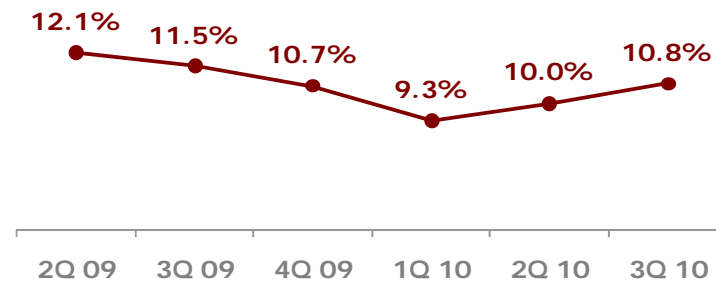
## OIBDA (USD mln) and OIBDA Margin



## CAPEX, USD mln



## ROIC, %



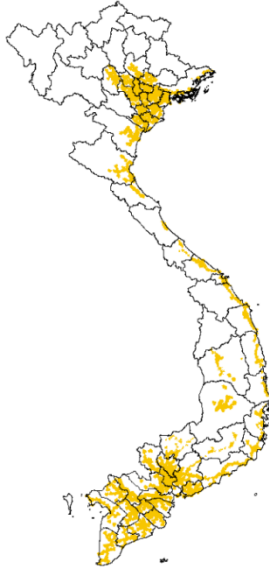
\* This segment includes our operations in Kazakhstan, Uzbekistan, Armenia, Kirgizstan, Tajikistan and Georgia.

# South-East Asia

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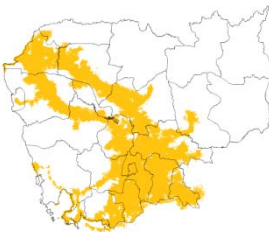
Vietnam



- Operations in 51 provinces out of 63
- 57% population coverage
- Launch of new services: WAP-portal, SMS-promotion
- Development of alternative sales channels



Cambodia



- Services are now available in 22 out of 24 provinces with 79% population covered
- Sotelco maintained third place with an active base above 0.5 million despite adverse regulatory context

# Summary

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- Solid financial performance across all key business units
- Launched set of measures to regain momentum in Russia
- Green light for business integration in Ukraine
- Continue transaction with Weather Investments



# APPENDICES

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# FOREX Development

	Currency	4Q09			1Q10		2Q10		3Q10	
		Opening rate	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
	RUR	30.01	29.47	30.24	29.89	29.36	30.24	31.20	30.62	30.40
	UAH	8.00	7.99	7.99	7.99	7.93	7.92	7.91	7.90	7.91
	KZT	150.95	149.77	148.36	147.68	147.11	146.81	147.46	147.40	147.47
	AMD	384.07	384.40	377.89	384.26	400.50	384.49	367.50	365.57	361.31
	GEL	1.68	1.68	1.69	1.72	1.75	1.80	1.84	1.84	1.81

# Map of Operations

