

2Q 2012 Presentation

Amsterdam, August 15th, 2012

Jo Lunder - CEO

Henk van Dalen - CFO

Disclaimer

This press release 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 financial performance objectives, development plans and anticipated performance, particularly in the Ukraine. The forward-looking statements included in this release are based on management’s best assessment of the Company’s strategic and financial position and of 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 our markets, unforeseen developments from competition, governmental regulation of the telecommunications industries, general political uncertainties in our markets and/or litigation with third parties. In addition, there are risks related to the combination with Wind Telecom, including the possibility that the anticipated benefits of the combination may not materialize as expected, that we are unable to realize the synergies anticipated from the transaction and other risks and uncertainties that are beyond the Company’s control. There can be no assurance that such risks and uncertainties will not have a material adverse effect on the Company. 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 Annual Report on Form 20-F for the year ended December 31, 2011 filed with the U.S. Securities and Exchange Commission (the “SEC”) and other public filings made by the Company with the SEC, which risk factors are incorporated herein by reference. The Company disclaims any obligation to update developments of these risk factors or to announce publicly any revision to any of the forward-looking statements contained in this release, or to make corrections to reflect future events or developments.

Key results 2Q12

Revenues*
(USD billion)

5.7

(+4% organic)

EBITDA*
(USD billion)

2.5

(+8% organic)

EBITDA margin*
(%)

43.2

(+2.6 p.p.)

Total mobile subscriber Base* (million)

208

(+8%)

Net income*
(USD million)

488

(+83%)

Net cash from operating activities (USD billion)

1.35

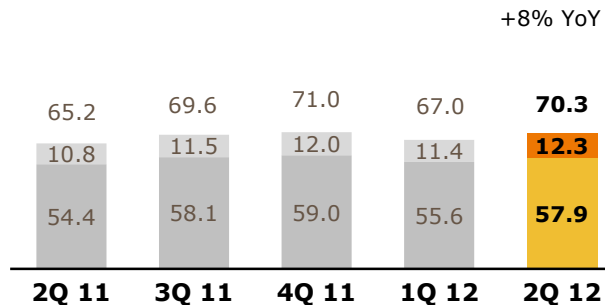
Highlights

- Double digit organic EBITDA growth in Russia, Asia & Africa and CIS
- Positive operational development continues in Russia
- Continue to outperform competitors in Italy
- Transition year in Ukraine, pressure on margins due to migration to bundled tariff plans

Business Units Performance

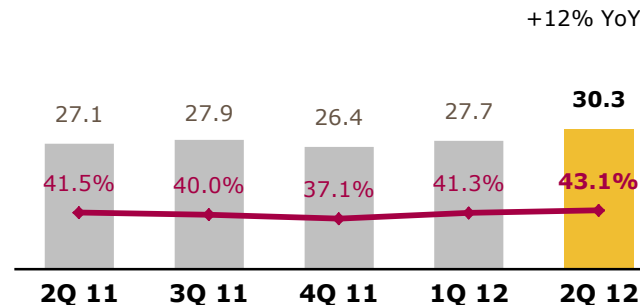
Russia Performance 2Q12

Revenues (RUB billion)



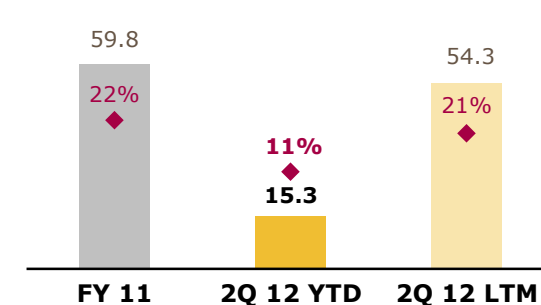
■ Mobile ■ Fixed-line

EBITDA and EBITDA Margin (RUB billion)



■ EBITDA ■ EBITDA Margin

CAPEX* (RUB billion)



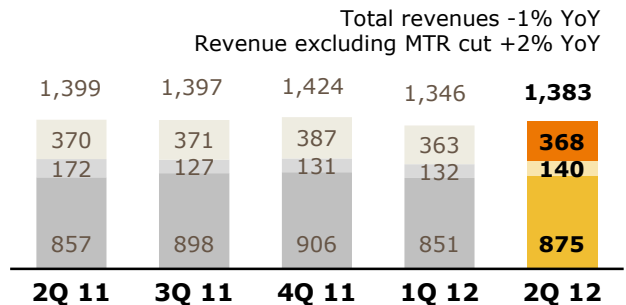
■ CAPEX ■ CAPEX / Revenue

Highlights:

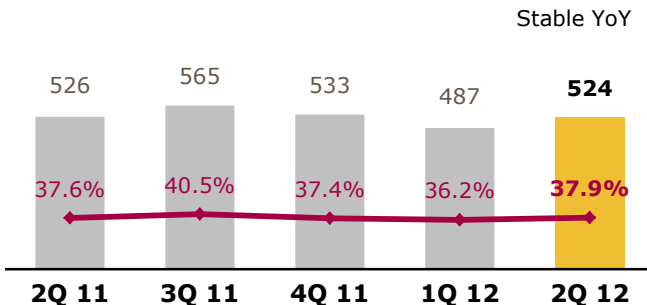
- Positive operational development continued in 2Q12
- Solid revenue increase of 8% YoY with strong growth in data
- EBITDA increase of 12% YoY
- EBITDA margin growth of 1.6 p.p. to 43.1%, the highest in the last 5 quarters
- Operational excellence program of RUB 5 billion in annualized savings ahead of schedule
- LTE license awarded with services expected to launch in 2013

Italy Performance 2Q12

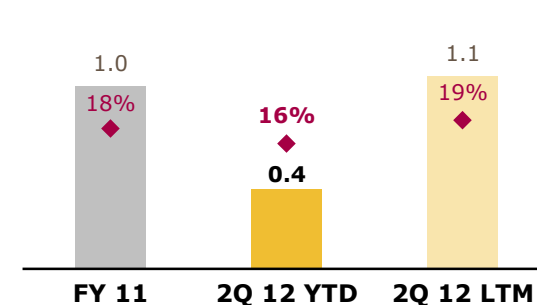
Revenues (EUR million)



EBITDA and EBITDA Margin (EUR million)



CAPEX* (EUR billion)



■ Mobile revenues (excluding Incoming) ■ Mobile Incoming revenues ■ Fixed-line

■ EBITDA ■ EBITDA Margin

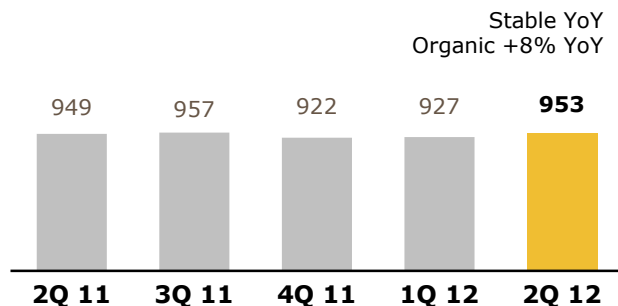
■ CAPEX ■ CAPEX / Revenue

Highlights:

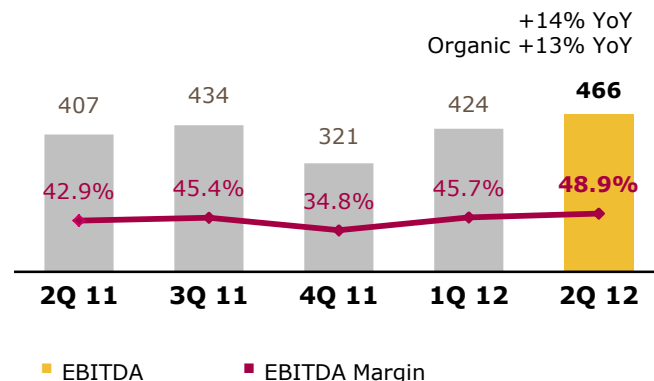
- Continuing relative outperformance of market
- Revenues declined 1% YoY, but excluding MTR impact grew 2%
- Strong data revenue performance with Mobile Internet revenue growth of 50% YoY
- EBITDA stable YoY
- Increase in EBITDA margin to 37.9%
- Solid subscriber growth momentum: mobile subscribers up 3% with 75% share of MNO net adds and fixed broadband subscribers up 7%

Africa & Asia* Performance 2Q12

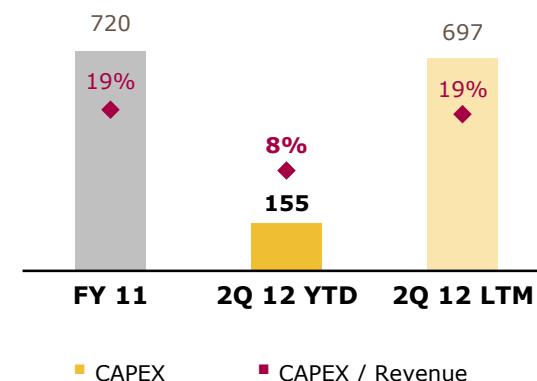
Revenues (USD million)



EBITDA and EBITDA Margin (USD million)



CAPEX** (USD million)



Highlights:

- Revenues increased organically by 8% YoY
- EBITDA organic growth of 13% YoY
- EBITDA margin up 6.0 p.p. YoY to 48.9%, mainly resulting from cost savings
- Subscriber base increased by 15% YoY to more than 84 million
- **Algeria:** revenues increased 4% YoY in local currency, while EBITDA increased 6% YoY supported by continued cost management
- **Pakistan:** Impressive performance with increase in revenue and EBITDA in local currency of 9% and 19% respectively
- **Bangladesh:** revenues increased 24% YoY in local currency as a result of a 26% increase in banglalink's subscriber base

* This segment includes our operations in Algeria, Pakistan, Bangladesh, Sub-Saharan Africa and South East Asia

** Capex excluding licenses

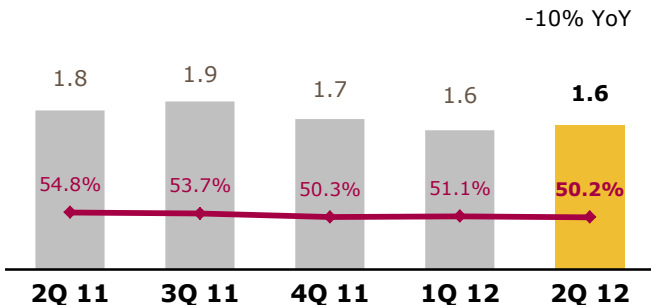
Ukraine Performance 2Q12

Revenues (UAH billion)



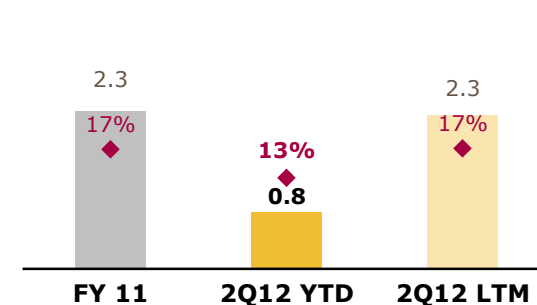
■ Mobile ■ Fixed-line

EBITDA and EBITDA Margin (UAH billion)



■ EBITDA ■ EBITDA Margin

CAPEX* (UAH billion)



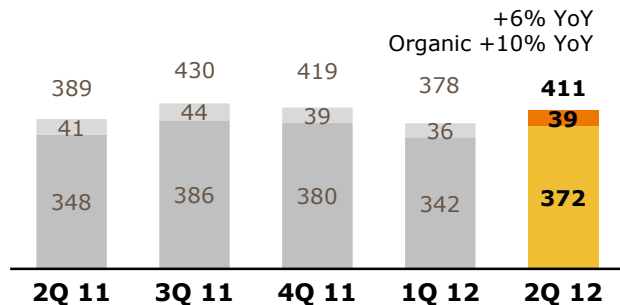
■ CAPEX ■ CAPEX / Revenue

Highlights:

- Revenues declined 1% YoY, materially impacted by transition to bundled tariff plans
- Growth in fixed-line revenue continued with 10% YoY growth; mobile revenue declined 2% YoY
- EBITDA declined by 10% YoY; EBITDA margin at 50.2%
- Mobile subscriber base up 2% YoY to 25.1 million
- Fixed residential broadband subscriber base grew 71% YoY to 501 thousand
- Overall negative effect from transition to bundled tariff plans expected to persist for the remainder of 2012

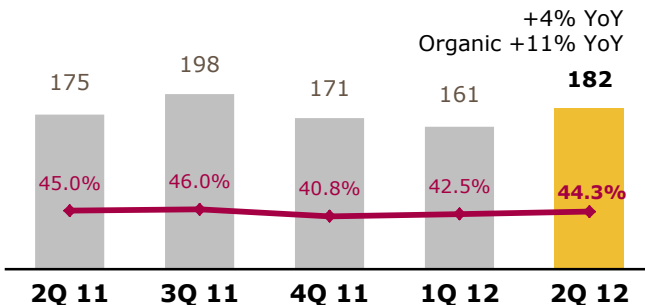
CIS* Performance 2Q12

Revenues (USD million)



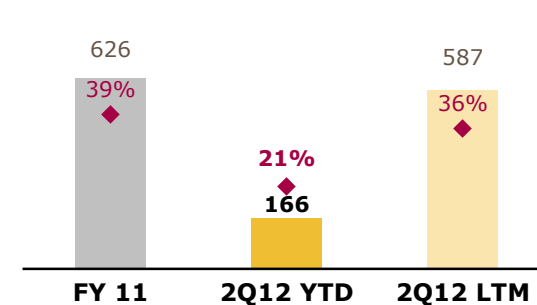
■ Mobile ■ Fixed-line

EBITDA and EBITDA Margin (USD million)



■ EBITDA ■ EBITDA Margin

CAPEX** (USD million)



■ CAPEX ■ CAPEX / Revenue

Highlights:

- Revenues increased organically by 10% YoY with mobile data revenue growth of 57%
- EBITDA organic growth of 11% YoY
- EBITDA margin of 44.3%
- Mobile subscribers up 17% to 20.5 million; Mobile broadband subscribers up 30% to 9.7 million
- Fixed broadband subscribers almost doubled to 256 thousand

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

** Capex excluding licenses

Financial Highlights

Henk van Dalen
CFO

2Q12 Pro Forma Financial Performance

	GROUP		
(USD million)	2Q12	2Q11	YoY
Revenues	5,745	6,011	-4%
EBITDA	2,481	2,441	2%
Depreciation/ Amortization/ Other	-1,289	-1,459	-12%
EBIT	1,192	982	21%
Financial income / expenses	-476	-470	1%
FX and Other	13	(77)	n.m.
Profit before tax	729	435	68%
Tax	-247	-176	40%
Net income	488	267	83%

	BUSINESS UNITS					
	Revenue			EBITDA		
	Organic	FX and others	Reported	Organic	FX and others	Reported
Russia	8%	-11%	-3%	12%	-11%	1%
Europe & NA	-1%	-11%	-12%	0%	-11%	-11%
Ukraine	-1%	0%	-1%	-10%	0%	-10%
Africa & Asia	8%	-8%	0%	13%	1%	14%
CIS	10%	-4%	6%	11%	-7%	4%
Total	4%	-8%	-4%	8%	-6%	2%

- Overall **revenue** growth on an organic basis was 4% YoY, driven by Russia, Africa & Asia and CIS
- Reported revenues declined by 4% YoY, mainly due to significant depreciation of local currencies against the USD
- **EBITDA** increased 2% YoY, primarily impacted by unfavourable currency movements; excluding forex EBITDA increased 8% YoY
- **EBIT** up 21% YoY, positively affected by the declining amortization pattern applied to intangible assets

2Q12 Actual Financial Highlights

Consolidated financial highlights (Actual)

(USD million)

	Actual		
	2Q12	2Q11	YoY
Total operating revenues	5,745	5,536	4%
EBITDA	2,481	2,253	10%
EBITDA margin	43.2%	40.7%	
EBIT	1,192	937	27%
Financial income and expenses	(476)	(425)	12%
FX and Other	13	(89)	n.m.
Profit before tax	729	423	72%
Income tax expense	(247)	(166)	49%
Profit for the period	482	257	88%
Net income	488	235	108%

- **Profit before tax** up 72% driven by the increase in EBITDA and EBIT, partly offset by additional finance costs as a result of Wind Telecom acquisition
- **Net income** increased due to higher Profit before tax and lower effective tax rate, due to certain net operating losses incurred in 2Q11, but not recognized for tax purposes

Debt, Cash and Ratios

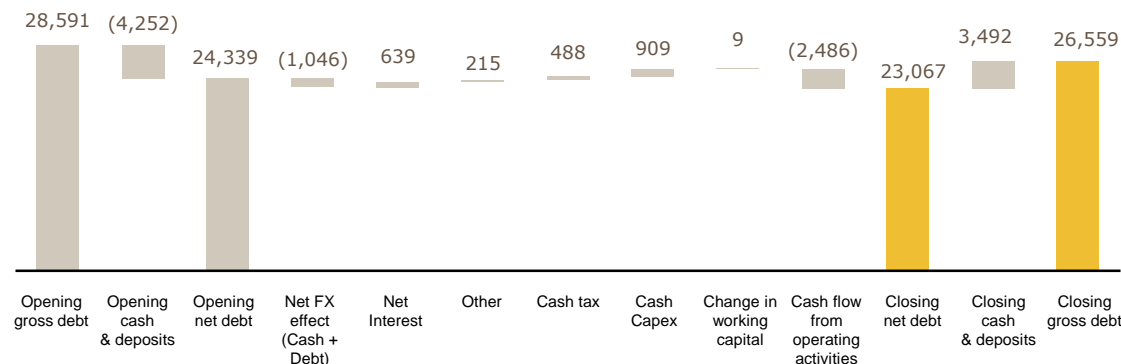
Key Components

(USD million)	June 30, 2012
Cash, Cash Equivalents and deposits	3,492
Total Assets	52,543
Gross Debt	26,559
-Short-term	2,384
-Long-term	24,175
Shareholders' equity	13,942
Gross Debt/Assets	0.5
Net Debt**	23,067
Pro forma annual EBITDA*	9,591

Pro forma ratios LTM 2Q 12	June 30, 2012
Net Debt/ EBITDA	2.4
EBITDA/ Financial Income and Expenses	5.2
Gross Debt/ EBITDA	2.8

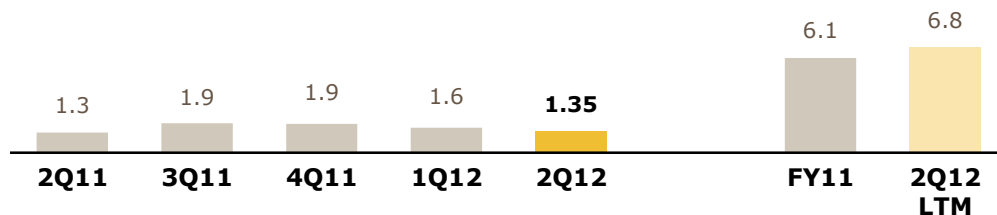
Consolidated Cash and Net Debt Development

Actual 2Q 2012 (USD million)



Net Cash Flow From Operating Activities, Actual

(USD billion)

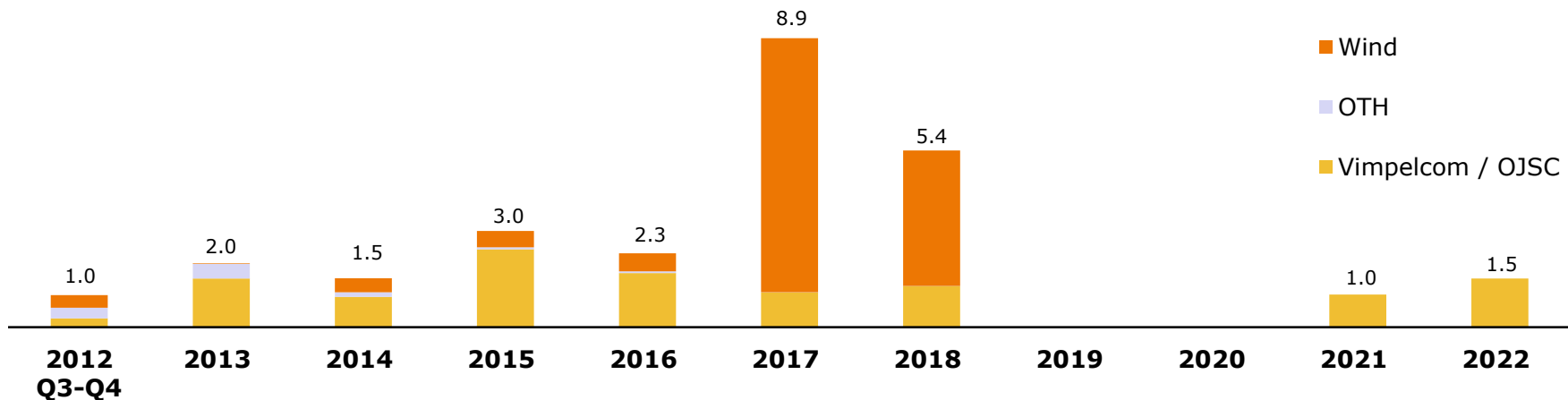


* See definition of EBITDA in earnings release. LTM stands for "last twelve months" to reporting date.

** See definition of net debt in earnings release

Debt Composition and Maturity Profile

Group Debt Maturity Schedule per June 2012



Other information

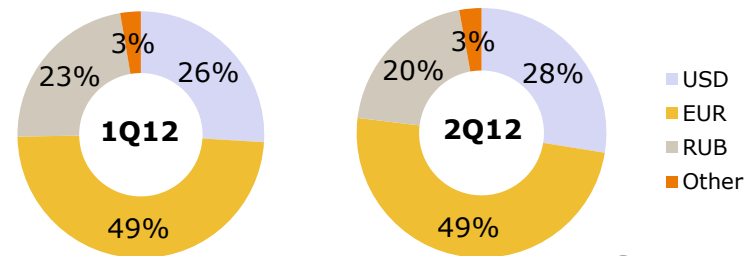
During 2Q 12

- Wind issued a tap of Senior Secured Notes due 2018 for USD 0.7 billion during April to refinance existing debt.
- In April, Russia prepaid a Sberbank loan of RUB 10 billion (USD 0.3 billion) and Wind partly prepaid the Bridge loan (USD 0.3 billion).

Available room under committed revolving credit facilities per June 2012:

- EUR 400 million (USD 506 million) for Wind
- RUB 15 billion (USD 457 million) for Russia
- EUR 205 million (USD 260 million) and USD 225 million for VIP HQ

Debt Composition by Currency Actual



Simplified legal / financing structure per 30-Jun-12

VimpelCom Group	
VIP	USD 2.2 bn
OJSC Group	USD 9.4 bn
Wind Group	USD 13.9 bn
OTH Group	USD 1.1 bn
Gross debt	USD 26.6 bn

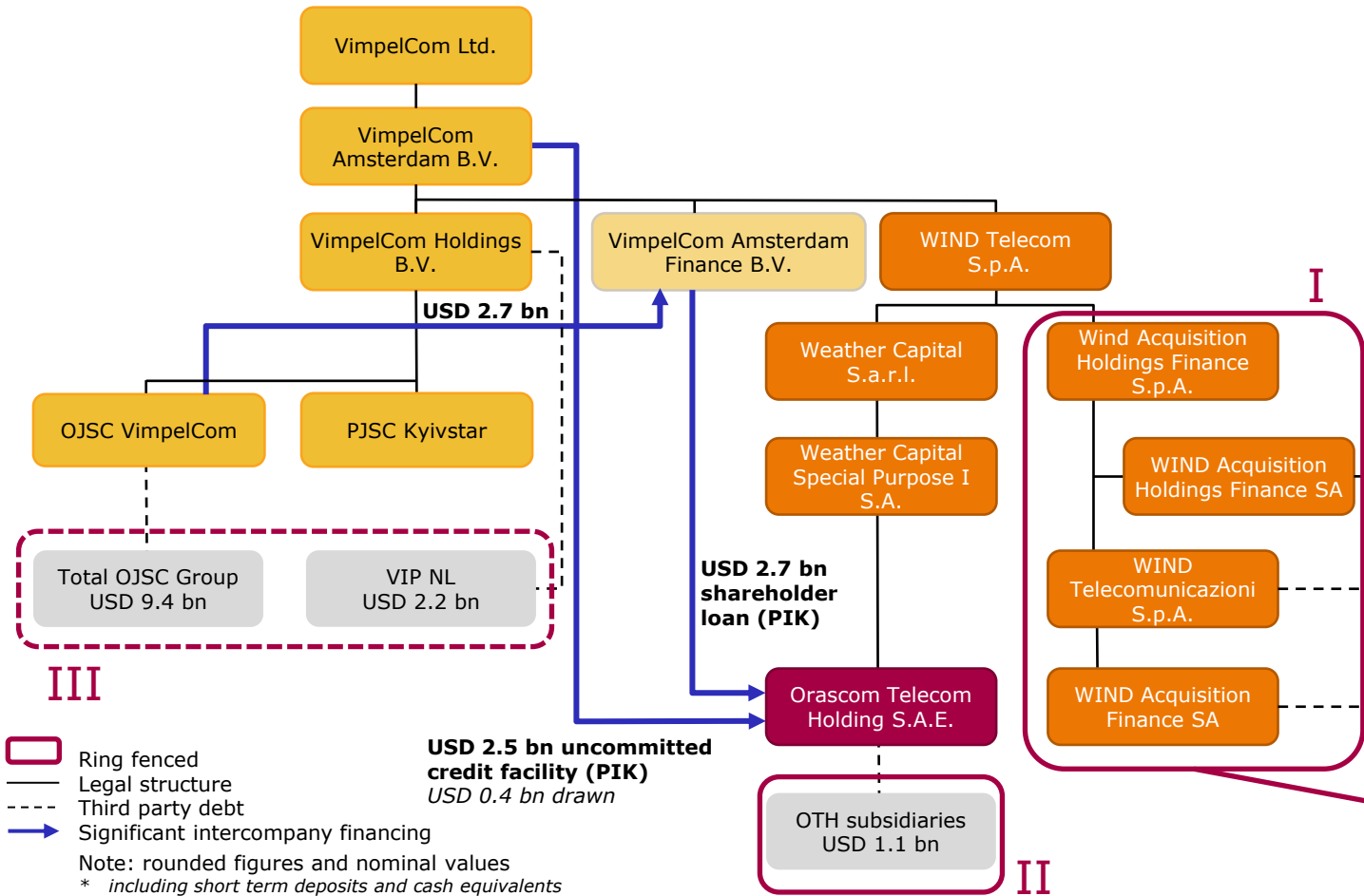
Total cash*	USD 3.5 bn
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PIK notes	USD 1.3 bn
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Senior bank loan	USD 3.7 bn
Debt to Gov	USD 0.5 bn
Annuity	USD 0.3 bn

HY notes 2017	USD 3.6 bn
SSN 2018	USD 4.2 bn
Bridge loan	USD 0.3 bn

Total Wind Group	USD 13.9 bn
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- Ring fenced
- Legal structure
- - - Third party debt
- Significant intercompany financing

Note: rounded figures and nominal values
 * including short term deposits and cash equivalents

Conclusion

Jo Lunder
CEO

Conclusion

- Good start Value Agenda 2012-2014 – organic growth YoY in 2012:

	1Q12	2Q12
Revenues	+6%	+4%
EBITDA	+5%	+8%
EBITDA margin	-0.6 pp	+2.6 pp

- Strong operational performance across most of our operations in 2Q12
- Facing short term challenges in some of our markets
- On track to deliver on the medium term Value Agenda



Q&A

Thank you!

For further information please contact Investor Relations

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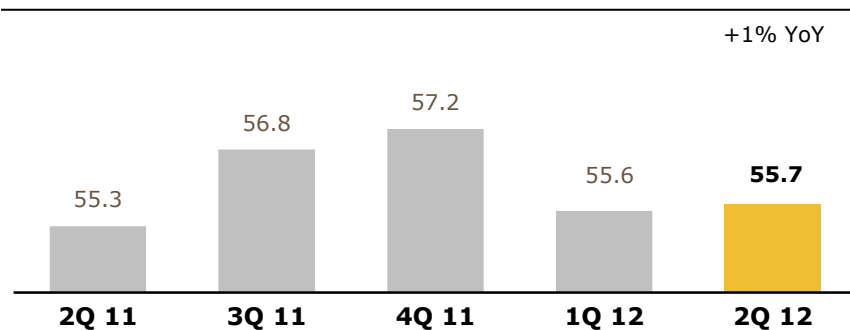
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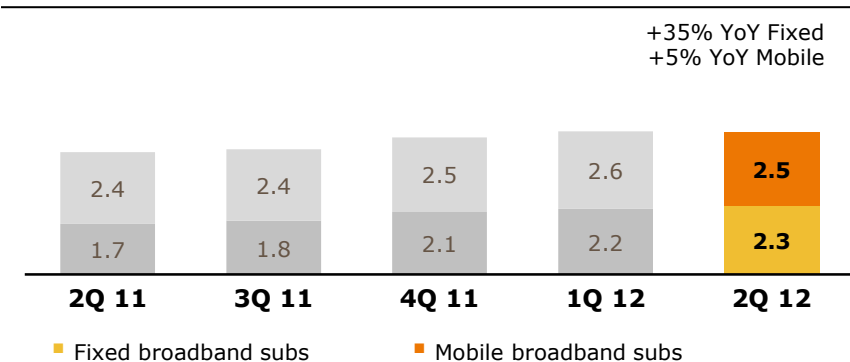
Appendices

BU Russia: Operating Highlights

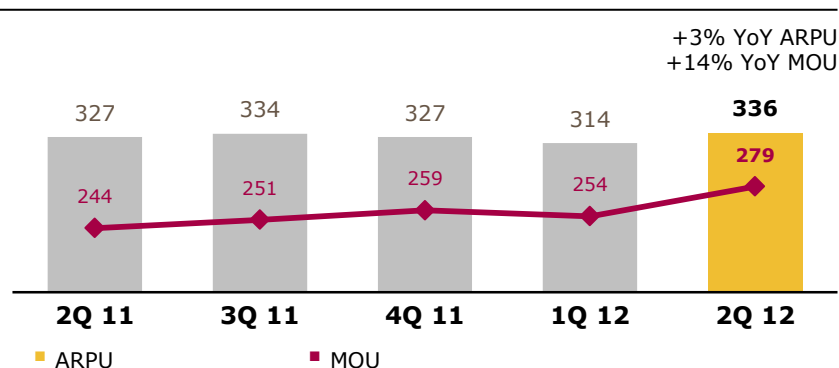
Mobile subscribers (million)



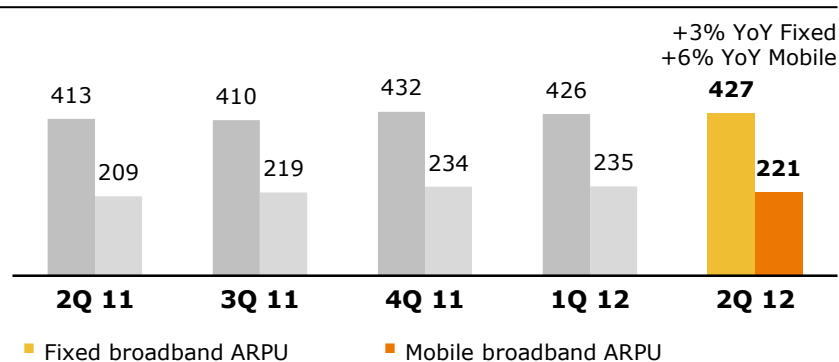
Broadband subscribers (million)



ARPU and MOU (RUB) (min)

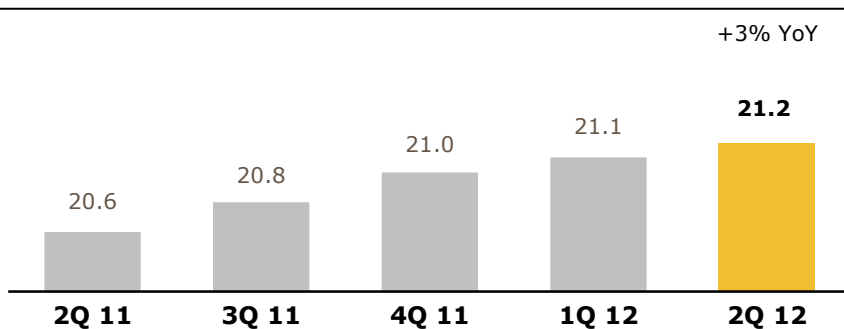


Broadband ARPU (RUB)

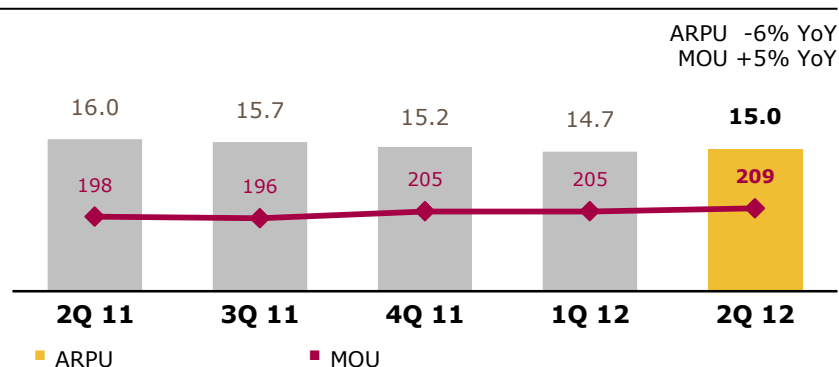


BU Europe & NA: Operating Highlights Italy

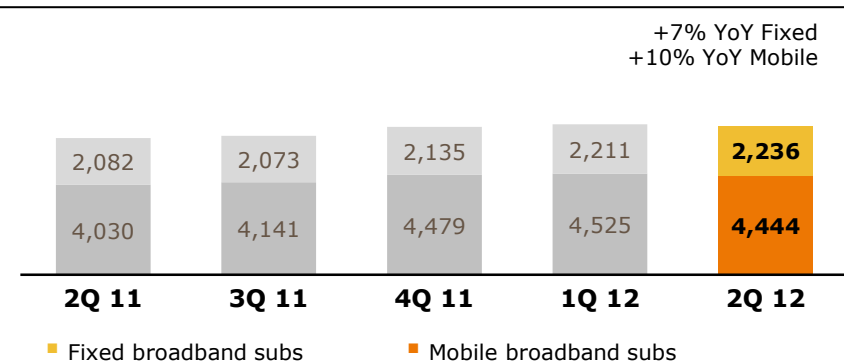
Mobile subscribers (million)



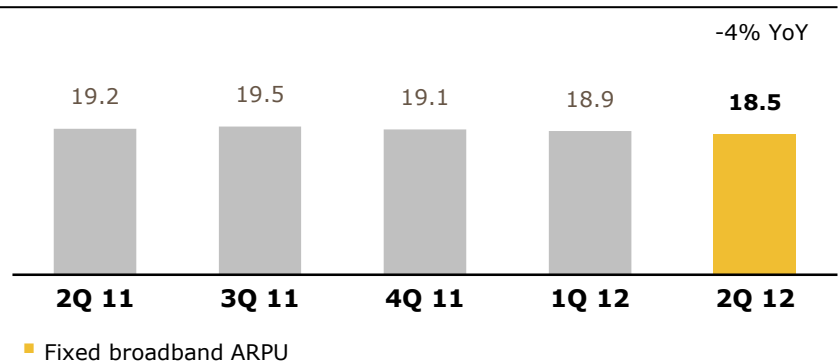
ARPU and MOU (EUR) (min)



Broadband subscribers* (thousands)













Broadband ARPU (EUR)



* Mobile broadband includes consumer customers that have performed at least one mobile Internet event in the previous month on 2.5G/3G/3.5G network technology

FOREX Development

	Currency	Average rates			Closing rates		
		YTD 12	YTD 11	YoY	YTD 12	FY 11	Delta
	RUB	30.64	28.62	-6.6%	32.82	32.20	-1.9%
	EUR	0.77	0.71	-7.4%	0.79	0.77	-2.5%
	DZD	75.56	72.47	-4.1%	79.03	75.33	-4.7%
	PKR	91.37	85.40	-6.5%	94.58	89.95	-4.9%
	BDT	82.30	72.37	-12.1%	81.82	81.83	0.0%
	UAH	7.99	7.96	-0.4%	7.99	7.99	0.0%
	KZT	148.15	146.00	-1.5%	149.42	148.40	-0.7%
	AMD	394.78	370.09	-6.3%	418.01	385.77	-7.7%
	KGS	46.87	46.79	-0.2%	47.24	46.48	-1.6%

Reconciliation Tables

Reconciliation of consolidated EBITDA of VimpelCom

USD million	Pro forma		Actual	
	2Q12	2Q11	2Q12	2Q11
Unaudited pro forma				
EBITDA	2,481	2,441	2,481	2,253
Depreciation	(720)	(778)	(720)	(717)
Amortization	(522)	(667)	(522)	(585)
Impairment (loss) / gain	(6)	-	(6)	-
Loss on disposals of non-current assets	(41)	(14)	(41)	(14)
EBIT	1,192	982	1,192	937
Financial Income and Expenses	(476)	(470)	(476)	(425)
- including finance income	40	39	40	20
- including finance costs	(516)	(509)	(516)	(445)
Net foreign exchange (loss)/gain and others	13	(77)	13	(89)
- including Other non-operating (losses)/gains	24	(47)	24	(37)
- including Shares of (loss)/profit of associates and joint ventures accounted for using the equity method	(12)	(24)	(12)	(19)
- including Net foreign exchange (loss)/gain	1	(6)	1	(33)
Profit before tax	729	435	729	423
Income tax expense	(247)	(176)	(247)	(166)
Profit for the period	482	259	482	257
Profit for the period attributable to non-controlling interest	6	8	6	(22)
Net income	488	267	488	235

Reconciliation Tables

Reconciliation of consolidated net debt of VimpelCom

USD millions	2Q 12	1Q 12
Net debt	23,067	24,339
Cash and cash equivalents	2,883	4,033
Long - term and short-term deposits	609	219
Gross debt	26,559	28,591
Interest accrued related to financial liabilities	558	450
Fair value adjustment	228	148
Discounts, unamortized fees related to financial liabilities	(147)	(103)
Unamortized fair value adjustment under acquisition method of accounting	841	909
Derivatives not designated as hedges	415	403
Derivatives designated as hedges	157	173
Total other financial liabilities	28,611	30,570