Financial Value Creation

London, January 16th 2013

VimpelCom
Analyst & Investor Day

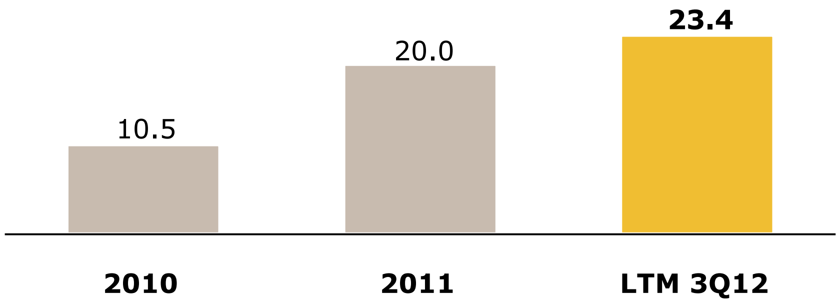
Henk van Dalen
CFO

- **VimpelCom Key Financials 2010 – 3Q12**
- Financial Value Agenda 2013 – 2015
- Financial Objectives 2013 – 2015

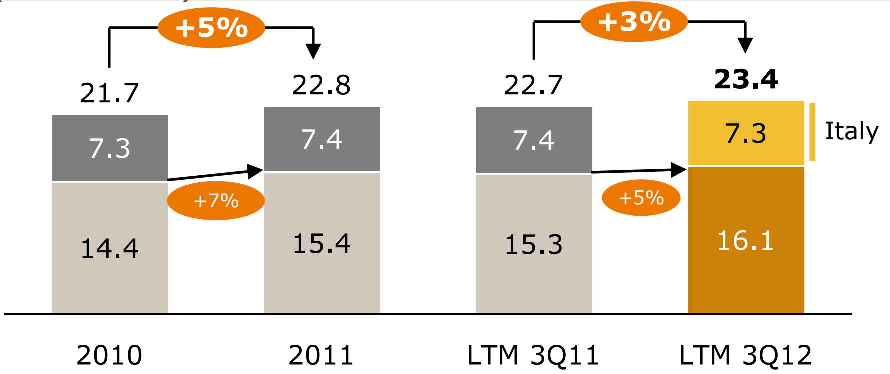
VimpelCom Revenue and EBITDA Development

at average constant 2010 FX

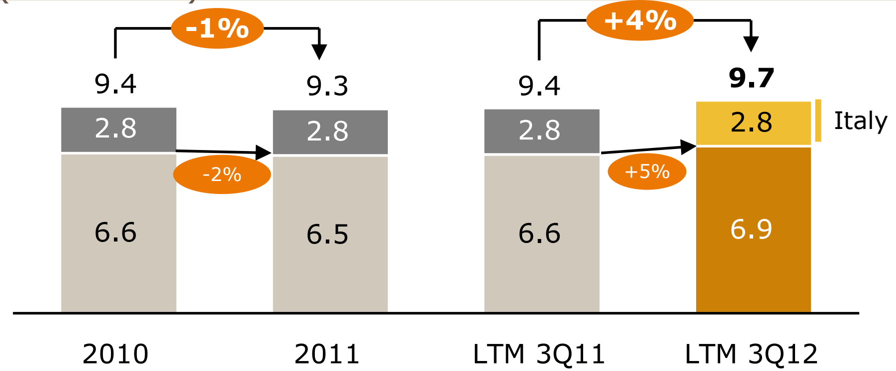
Revenues Actual
(USD billion)



Revenues Pro forma*
(USD billion)



EBITDA Pro forma*
(USD billion)



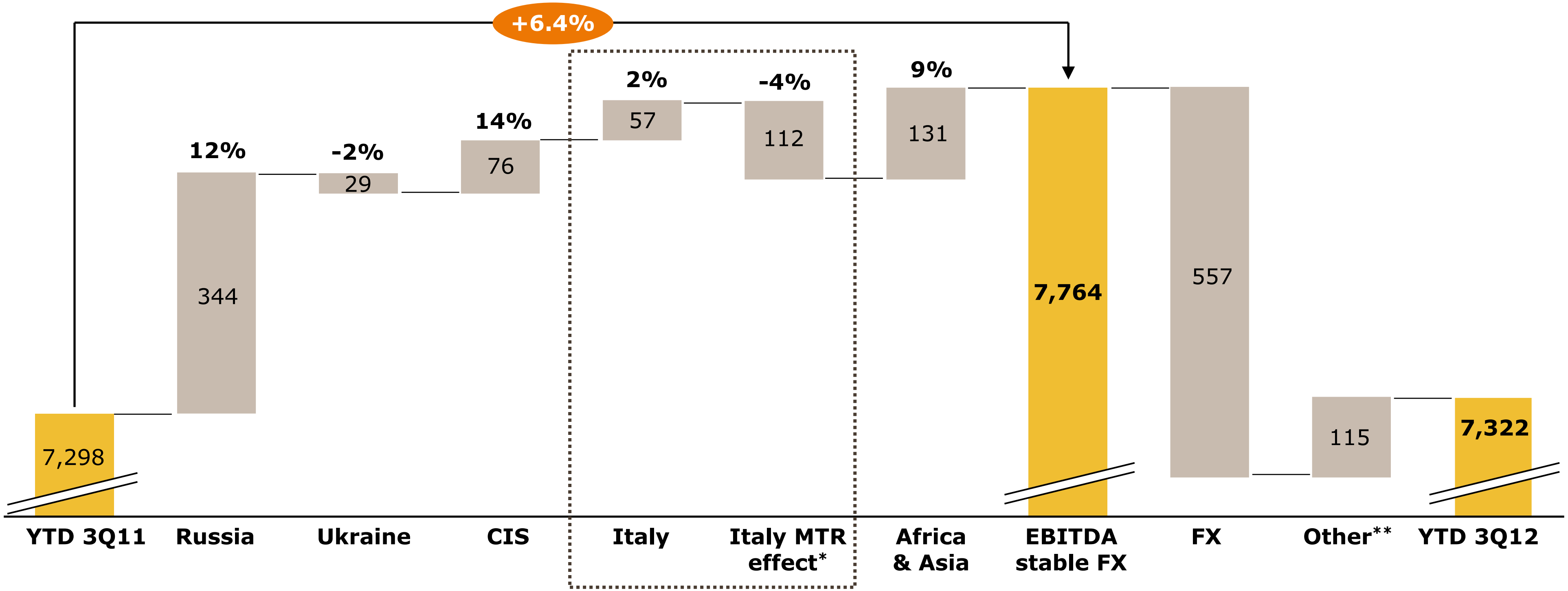
Average constant 2010 FX

RUB / USD	30.37
EUR / USD	0.75
UAH / USD	7.94

** Pro-forma; for reconciliation of non-GAAP financial measures, please refer to the Investor Relations part of our website*

EBITDA Development YTD 3Q12 versus YTD 3Q11

Reported EBITDA Development in USD million; organic growth



* *MTR impact is calculated as the difference between current year MTR applied to current year traffic and previous year MTR applied to the current year traffic volumes*

** *Other mainly consists of the difference in project costs in YTD 3Q11 compared to YTD 3Q12*

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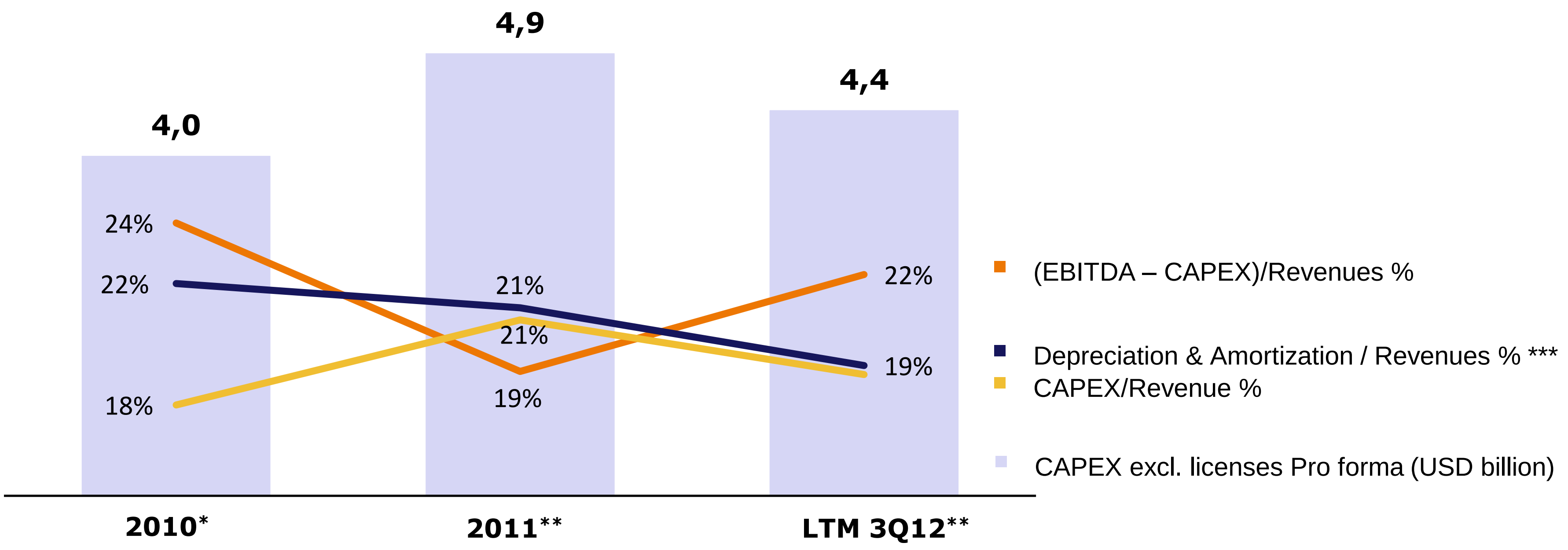
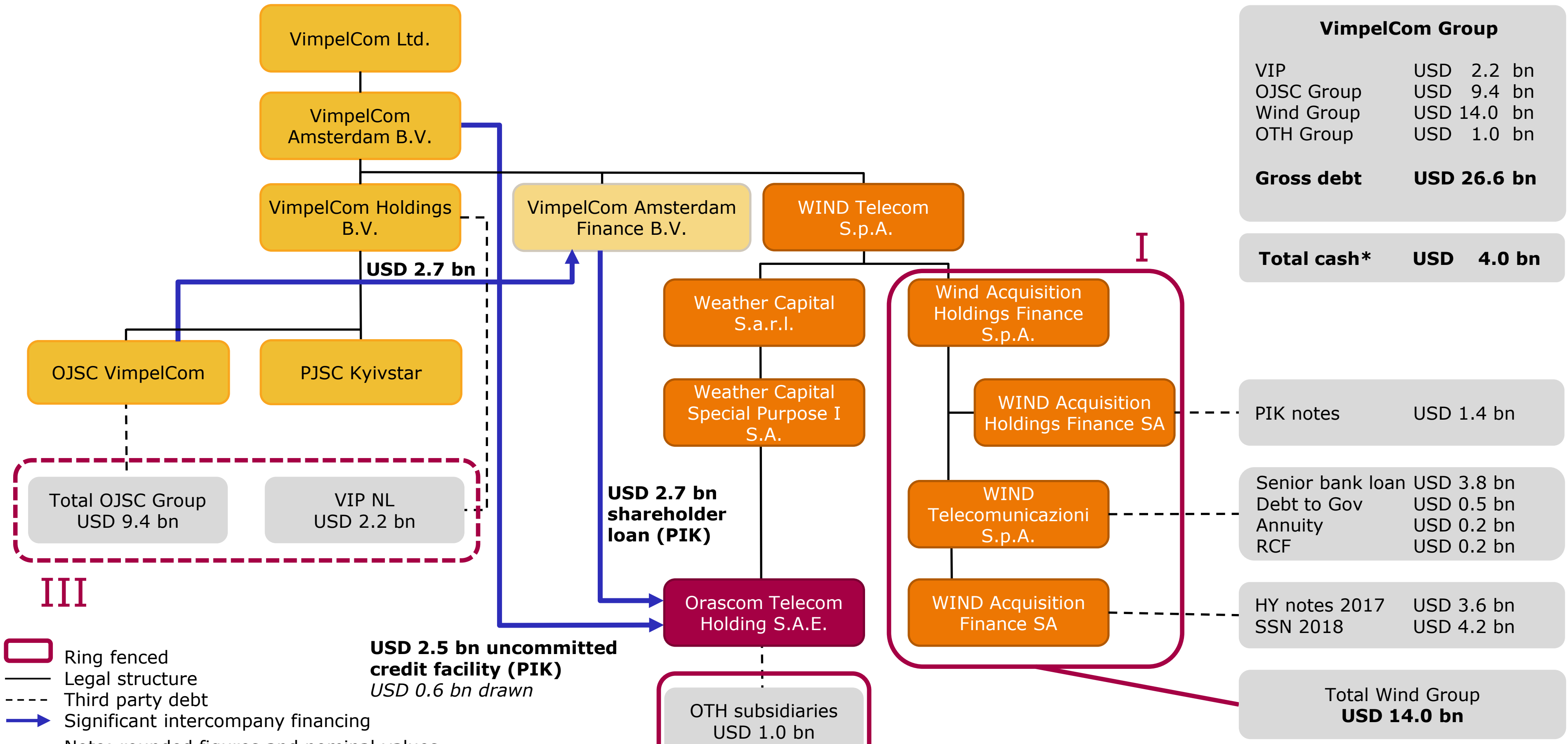
CAPEX Basics 2010 – LTM 3Q12

CAPEX excluding licenses Pro forma
(USD billion)



*   *US GAAP*
**   *IFRS*
*** *Normalized Depreciation & Amortization*

Simplified Legal / Financing Structure per 30-Sep-12



Note: rounded figures and nominal values

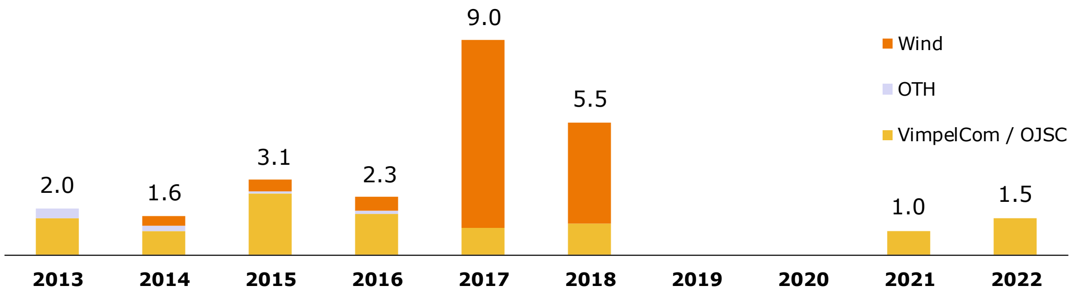
* *including short term deposits and cash equivalents*

Debt Structure Elements per Ultimo 3Q12

Composition

	EUR	RUB	USD	Other	Total
Bonds	4.7	1.3	10.8	0.1	**18.0**
Term loan	4.5	3.0	0.1	0.3	**7.7**
Other	0.2	0.2	0.2	0.2	**0.9**
Gross Total	**9.4**	**5.5**	**11.1**	**0.5**	**26.6**
Weighted interest	*8.5%*	*8.7%*	*8.0%*	*13.8%*	*8.6%*

Maturity schedule



Ratios

Currency ultimo 3Q12	VimpelCom (excl. Italy)	Wind Italy	Total
Gross Debt / LTM 3Q EBITDA	2.1	4.6	**2.8**
Net Debt / LTM 3Q EBITDA	1.5	4.6	**2.4**
Gross Debt / LTM 3Q EBITDA at USD +10%	2.2	4.6	**2.9**

Debt and Interest composition

VimpelCom

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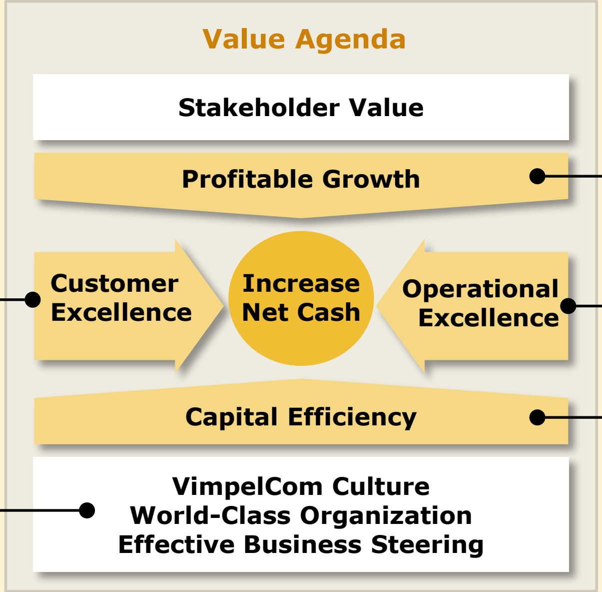
10 Key Initiatives Drive 2013 -2015 Strategy

1. Create superior customer experience
2. Optimize distribution
3. Develop superior pricing capabilities
10. Set performance culture



4. Win in mobile data
5. Grow beyond the core (MFS, OTTs)
6. Drive cost efficiency
7. Optimize geographic portfolio
8. Increase network sharing
9. Optimize capital structure

Focus of Finance Function

I. Clear strategy, delivering value to customers and shareholders ✓

- Dynamic reviews and updates

II. Value creation ✓

- CFROI: Cash, Funding, Returns, Operations, Investments

III. Financial standing ✓

- Credit rating; ratios, access to funding

IV. Finance optimization ✓

- Tax / Funding / Legal Structure

V. Risk management & Compliance ✓

- Risk management, Internal Control, Integrity, Compliance

Granular P&L Focus

	Cash-flow scheme ambition	VimpelCom LTM 3Q12
Revenue	100%	100%
Cost of traffic	15-20%	21%
Service margin	80-85%	79%
Commercial costs	~20%	17%
Business margin	60-65%	62%
Structural OpEx	~20%	21%
EBITDA	40-45%	41%
CAPEX	15%	19%
Cash Flow	**30%**	**22%**

Levers to be used

A Superior pricing and profitable growth

B Optimize distribution and reduce churn

C Operational excellence

D CAPEX efficiency

Structurally Improve Working Capital Management

Project

- Value Agenda stresses importance of capital efficiency and cash generation
- Working capital management as cash driver requires focused approach
- Working capital program launched 2Q12 with implementation in 2013

Approach

- Transactional data analysis to identify opportunities
- Cross functional involvement
- Sharing and rollout best practices
- KPI measurement within local management team
- Implement dashboards to steer working capital

Scope

- Implement across group with focus on core countries

Opportunity

- Key business cycles – terms & conditions
  - Average inventory USD 185 million
  - Average trade accounts and other receivables USD 3.0 billion
  - Average trade accounts and other payables USD 3.8 billion

Objectives

- Free up working capital in 2013 with USD 200-300 million
- Continuous visibility of working capital development

Capital Return

Capital Invested per Ultimo 3Q12

(USD million)	**Book value**	**Gross value**
Tangible assets incl. licenses and software	18,887	30,980
Other Intangibles*	6,694	10,096
Goodwill	16,754	16,754
Net current liabilities**	-4,532	-4,532
Total	**37,803**	**53,298**

Group WACC 12.4%

CFROI 14.8%

$$\text{CFROI} = \frac{\text{EBITDA} - \text{Taxes paid} - \text{Economic depreciation (\% of Tangible assets)}}{\text{Gross Asset Base}}$$

* *Excluding licenses and software*
** *Excluding cash*

Diversified Funding Structure

Sources

- Eurobonds, Ruble bonds, Dollar bonds
- Bilateral (local) Bank Facilities
- ECA covered Facilities ++
- Committed revolving credit facilities ++

Maturities

Balanced Source Mix

Flexibility

Intercompany Funding ++

Financial Standing

- **Maintain BB rating short term**
  - Secure operating performance
  - Secure cash flow upstreaming
  - Gross debt to be around 3 times EBITDA maximum
- **Grow to BB+ / BBB-**
  - Increase cash flow generation
  - Deleveraging Gross Debt

- Moving towards < 2 times Net Debt to EBITDA Investment Grade

- Flexible access to capital markets
- Lower cost of funding

Finance Optimization

Focus

- Deleverage → reduce gross debt
- Restructuring expensive debt
- Full tax deductibility of interest
- Maximize direct dividend / cash up streaming

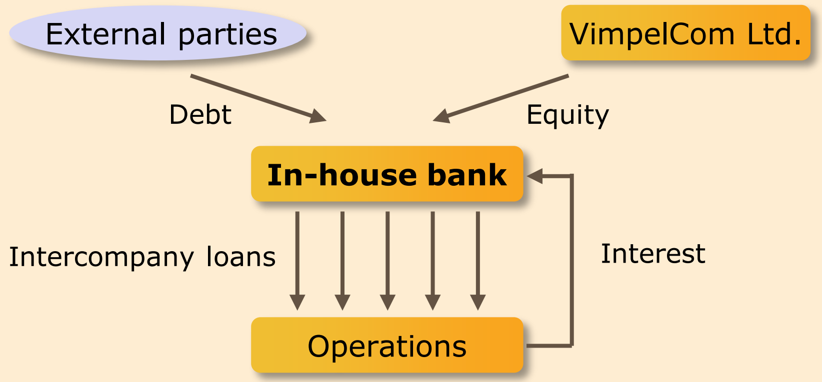
Measures

- Maximize intercompany funding
- Establish in-house bank, utilize tax losses
- Lock in "capital losses" timely
- Bring leverage in all entities
- Reduce legal entity layers

Optimum Group WACC

Principles of In-house Bank

In-house bank structure



In-house bank activities

- Optimization of capital structure
- (Excess) cash management
- Intercompany funding for CAPEX
- Intercompany funding for acquisitions
- Cash pooling
- FX management
- (Short term) cash forecasting

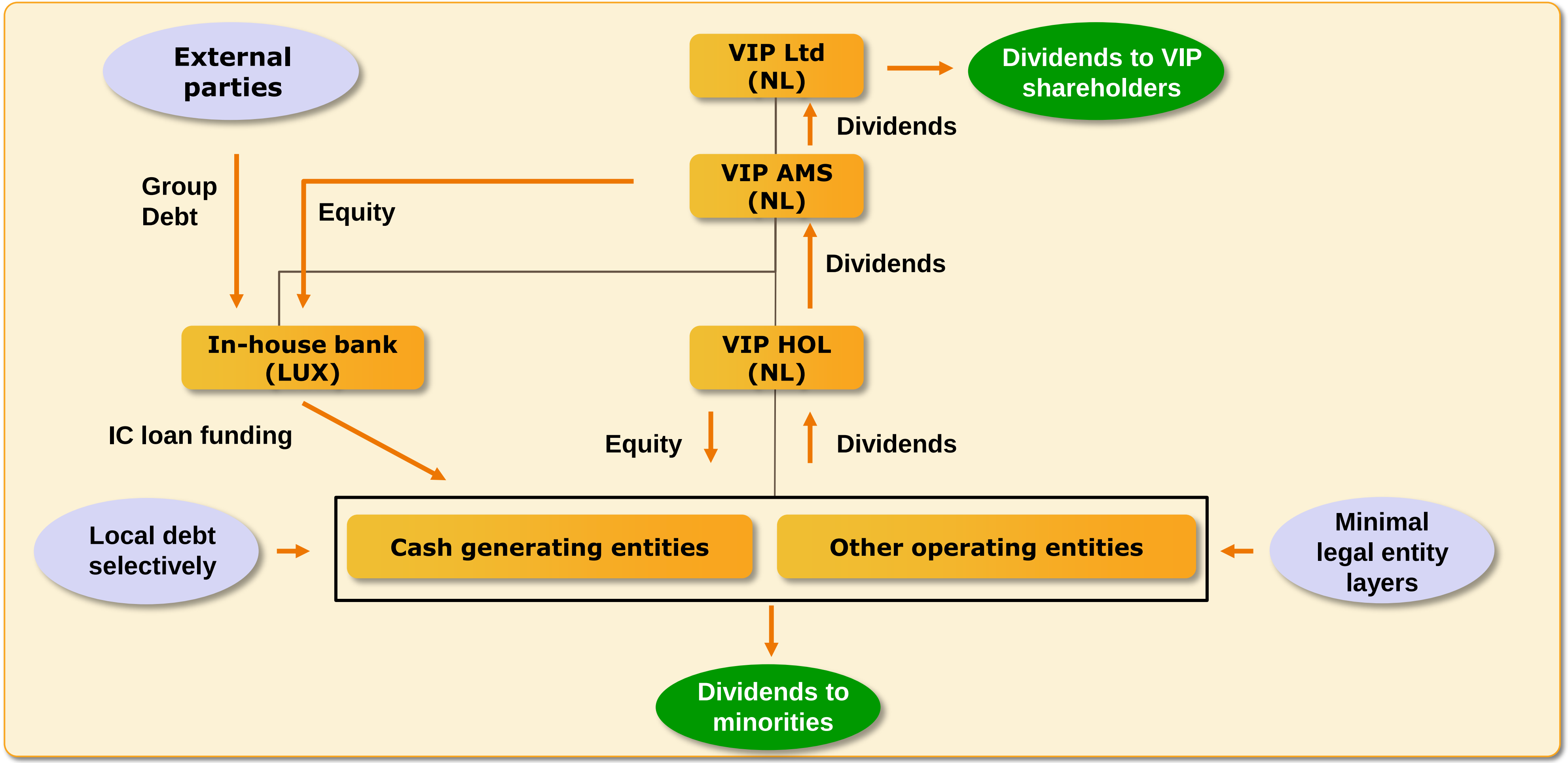
Key to implementation

- Fully equipped office → VimpelCom has such an office in Luxembourg
- Experienced Luxembourg staff → VimpelCom has such staff
- Entity with sufficient loss carry forward available to offset against finance income
- VimpelCom has such entity in Luxembourg

Savings

- Operations pay tax deductible interest
- Tax loss carry forward in Luxembourg
  - No restricted utilization, no expiration
- Interest income of in-house bank not taxed because of loss carry forward
- Saving is approximately USD 16 million per USD 1 billion of equity (USD 1 billion * 8% interest * 20% tax)

Group Optimum Tax and Funding Model by 2015



It’s all about Creating Value
Finance Cash Flow Improvement Potential

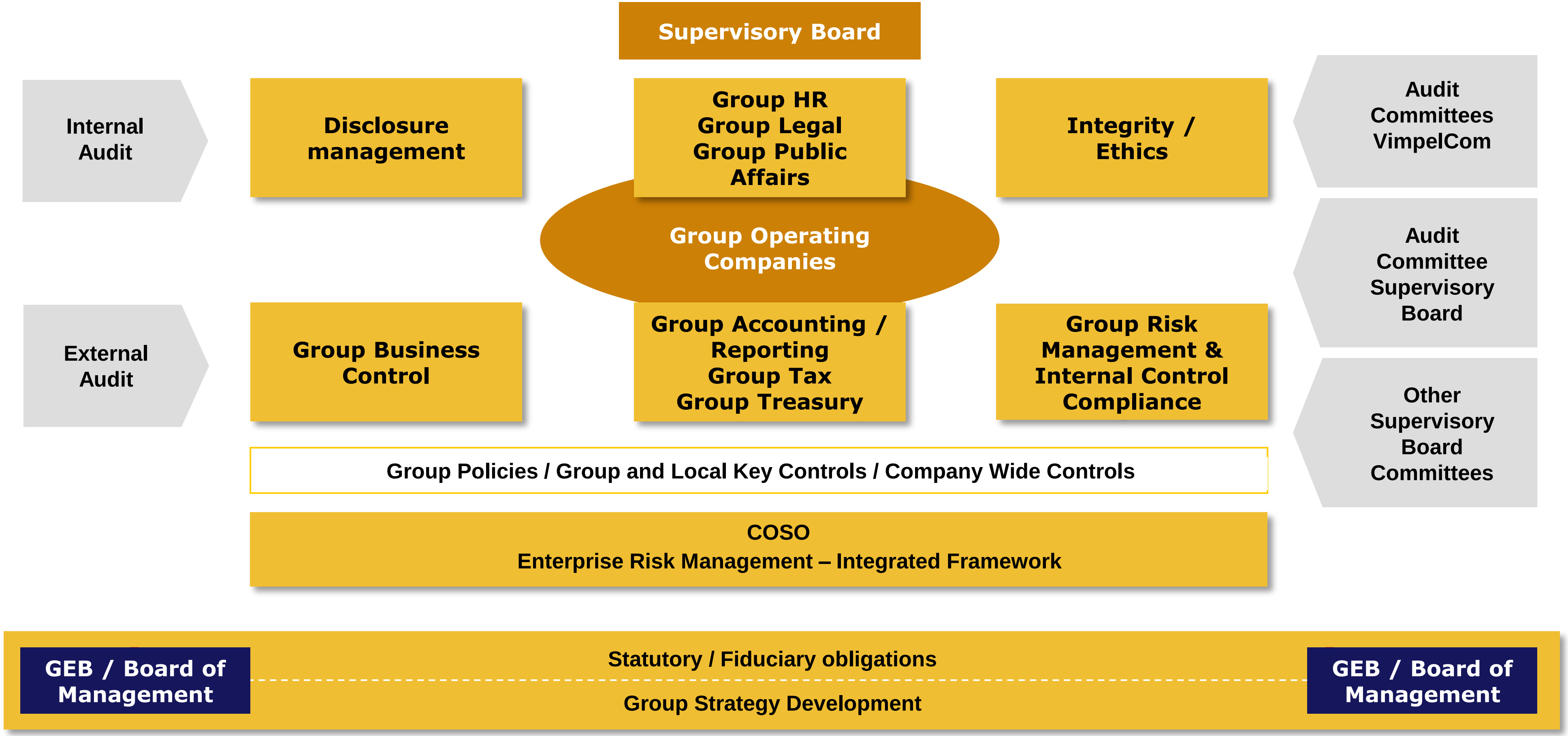
Improve cash flow by USD 0.6 - 0.9 billion per year over 2013 - 2015

In-house bank	USD 200 – 250 million per year
Debt optimization	USD 100 – 175 million per year
Gross debt reduction	USD 250 – 350 million per year
Withholding tax saving	USD 50 – 75 million per year

Average cost of new debt 100 – 150 b.p. lower

WACC down ▶ CFROI up

Risk Management, Compliance, Control



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It's all about Creating Value by Achieving Ambitious Objectives

Group Objectives: 2013-2015

Revenue	Mid single digit CAGR
EBITDA	Mid single digit CAGR
CAPEX/revenues	~ 15%*
Net debt / EBITDA	< 2*
Dividend guideline**	At least USD 0.80 dividend per common share Assuming 1,628 million shares issued and outstanding

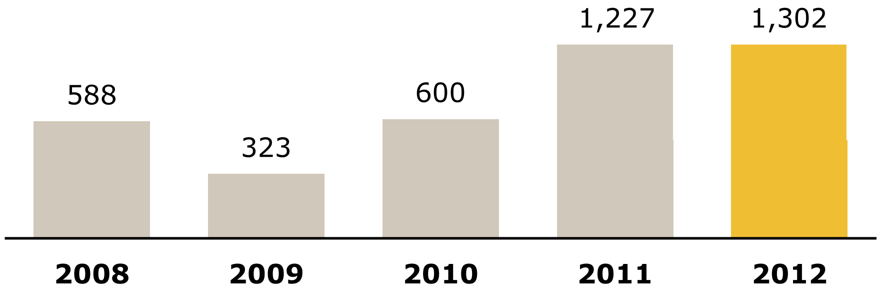
Assumptions

- Constant currency basis 2012
- No major regulatory changes
- Current asset portfolio mix
- Stable macro economic environment
- Dividend USD 0.80 per year assuming 1,628 million shares issued and outstanding
- Free cash availability in Group

* *In 2015*
** *For a full dividend guideline please refer to www.vimpelcom.com*

Cash Returns to Shareholders Objectives

Dividends
(USD million)



Aim to pay at least USD 0.80 per common share 2012 – 2014

Dividend guideline*

- Intention to pay a dividend that develops substantially in line with the development of operational performance
- Barring unforeseen circumstances, the Company aims to pay out a significant part of its annual operating free cash flow** to its shareholders in the form of dividends
- Precise amount and timing of dividends for a particular year will be approved by the Supervisory Board, subject to certain constraints and guidelines
- **Assuming not more than 1,628 million common shares issued and outstanding**

* *For a full dividend guideline please refer to www.vimpelcom.com*
** *Operating free cash flow = net cash from operating activities minus capital expenditures*

Conclusion

Financially in good shape

Finance Optimization

Significant initiatives started

Substantial cash flow growth potential

Q&A

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Appendix

VimpelCom LTM 3Q12; Currency Sensitivities

	Basic figures		FX sensitivities**		
			RUB vs USD +/-10%	EUR vs USD +/-10%	Total
Revenue *(USD million)**	23,000	Average FX LTM	+/- 825	+/- 660	+/- 1,485
EBITDA *(USD million)**	9,549		+/- 340	+/- 245	+/- 585
Gross Debt* *(USD billion)*	26.6	Ultimo 3Q FX	+/- 0.5	+/- 1.3	+/- 1.9
Net Debt* *(USD billion)*	22.7		+/- 0.5	+/- 1.3	+/- 1.8

Net of VIP Amsterdam derivatives MTM change as of 30 September 2011
** 3Q12 LTM ** RUB vs USD +10% = 10% appreciation of the RUB compared to USD including existing FX hedges*

VimpelCom LTM 3Q12; Currency Sensitivities (continued)

I

- Further foreign currency sensitivities with respect to non-functional currency denominated loans and receivables
- Major exposure relates to USD loans and the CAD receivable in Egypt

Functional currency	USD loans	CAD receivable	FX sensitivities +/- 10% compared to functional currency
RUB	+/+ 1,550		+/- 155
EUR	-/- 875		-/+ 90
EGP	-/- 3,005		-/+ 300
EGP		+/+ 1,770	+/- 180

II

- Additional volatility of financial income and expense caused by mark-to-market revaluation of embedded derivatives on bonds in Wind Italy mark-to-market driven by price on bonds, interest rate and foreign exchange movements