

1Q 2014 Presentation

Amsterdam, May 14, 2014

Jo Lunder – CEO
Andrew Davies – CFO

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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, among other things, the Company’s anticipated performance, its expectation to close and derive benefits from the Algeria transaction and subsequent development plans in Algeria, its revised 2014 annual targets, operational and network development in Russia, and the Company’s ability to realize its strategic initiatives in the various countries of operation. The forward-looking statements included in this presentation 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. 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, 2012 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.

VimpelCom reports 1Q14 results

Service revenue
(USD billion)

4.8

Mobile customers
(million)

218

EBITDA
(USD billion)

2.1

EBITDA margin¹
(%)

41.6

- Service revenue organic decline 4% YoY
- Mobile customers increased 3% YoY

- EBITDA organic decline 6% YoY
- Strong EBITDA margin, down 0.4 pp YoY

Key recent developments

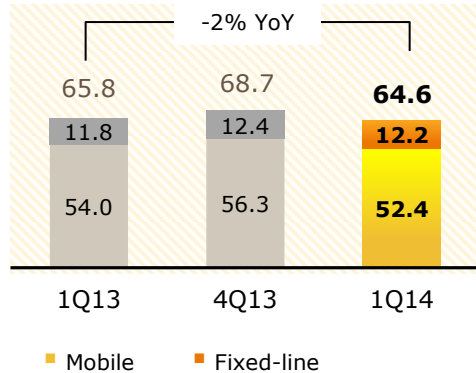
- ▶ Favorable resolution in Algeria with proceeds of ~USD 4.0 billion intended for debt repayment with annual interest savings of ~USD 0.3 billion
- ▶ Successful refinancing of WIND Italy's most expensive debt, saving ~USD 0.3 billion in annual interest expense
- ▶ Obtained credit facilities of USD 2.7 billion
- ▶ 3G license awarded in Pakistan for USD 0.3 billion
- ▶ Hamid Akhavan and Andrei Gusev appointed to the Supervisory Board
- ▶ Yogesh Malik appointed as Group CTO
- ▶ Vincenzo Nesci appointed Head of Africa & Asia Business Unit and CEO of GTH
- ▶ Revised annual targets for 2014

Business Units Performance

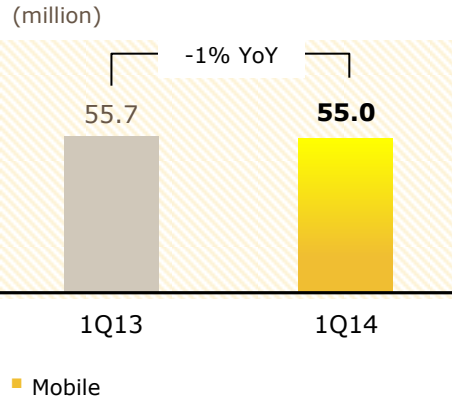
Russia 1Q14: Pressure on results while investing in the network

RUB BILLION, UNLESS STATED OTHERWISE

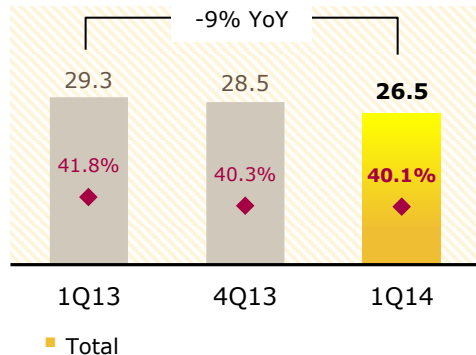
Service revenue



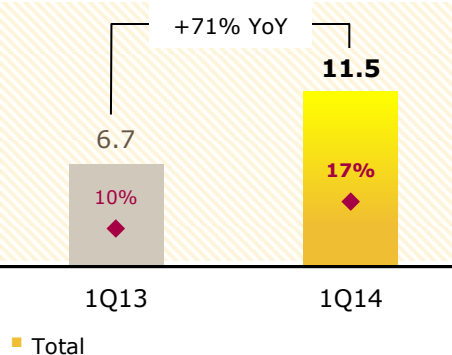
Mobile customers



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Mobile data revenue grew 22% YoY
- Service revenue decreased 2% YoY, mainly affected by measures taken to reduce unrequested mobile services from content providers
- Fixed-line service revenue increased 3% YoY due to the growth in FTTB and voice revenue
- EBITDA margin decreased 1.7 pp due to lower revenue and investments in network and owned monobrand stores
- CAPEX increased due to investments in 3G and 4G/LTE networks
- Pressure on results expected to continue for remainder of 2014

Transformation Phase 2 in Russia: Continued investments in high speed data network



Continued roll out of 3G and 4G/LTE

- + 40% in 3G base stations YoY
- + 64% in 4G/LTE base stations QoQ
- 91% of 3G base stations connected via IP vs 86% in 4Q13



4G/LTE launched in 8 cities Including Moscow Oblast, St. Petersburg and Leningradskaya Oblast

- 4G/LTE launched in 20 regions by end of summer 2014
- Only operator offering 4G/LTE in dual band in Moscow (800MHz and 2600MHz)



Improved network performance

- Beeline #1 in 40% of the cities for data speed¹
- Moscow: #1 in voice quality, #2 in data speed¹
- Avg. download speed Moscow and Moscow Oblast of 3.4 Mb/s¹
- Avg. download speed Russia of 2.7 Mb/s¹

Transformation Phase 2 in Russia: Enhanced customer experience with new content and spam policy



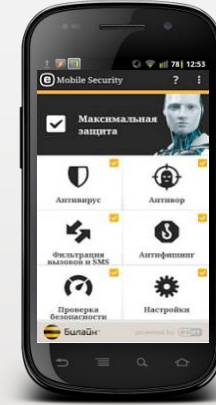
Filter SMS spam

- Filtering external SMS traffic, with spam detection methods
- Administrative sanctions to spammers
- Average spam SMS per customer substantially reduced from 12 in October 2013 to 3 in March 2014; aim to reduce further



Transparency of content subscription costs and no undesired subscription

- Clear SMS notification of price of content beforehand
- Monthly reminder of content subscription
- Content subscription is limited to 90 days
- Measures taken to improve service quality from content providers
- Cleaning up revenue base



Free anti virus protection for Android

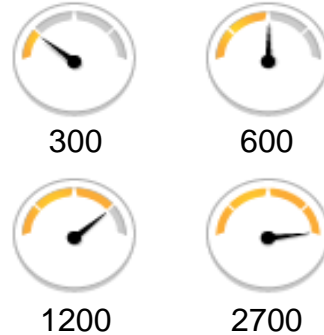
- Free antivirus for Beeline customers:
 - ▶ Free virus database updates
 - ▶ Free traffic for database update
 - ▶ Dedicated support line for Beeline customers
 - ▶ Beeline branded interface

Transformation Phase 2 in Russia: Improved customer value proposition



Beeline smartphone
RUB 490
(< USD 15)

- Most affordable smartphone in the market
- In combination with newly launched bundled tariff plans



New range of bundles and new roaming tariffs

- Simplified tariff plans
- Unlimited on-net included
- Larger mobile data packages included
- Lowered roaming tariffs



Brand proposition

- Launched TV campaign to communicate new value proposition

Transformation Phase 2 in Russia: Improving customer service



“My Beeline” account details in one click

- User friendly online cost overview:
 - ▶ Costs details visualized in clear charts



Self service upgrade (app)

- App for Android and iOS:
 - ▶ Account balance info and cost details
 - ▶ Account top-up
 - ▶ Tariff plan management
 - ▶ Advice, personalized offers and promotions
- 1.1 mln downloads since launch two months ago



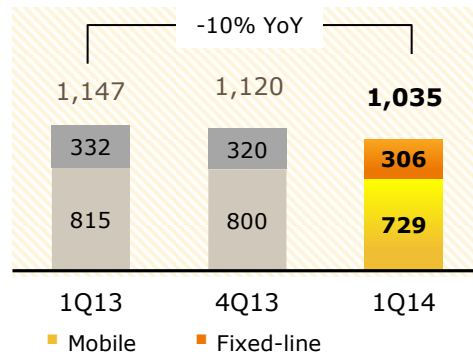
Reduced waiting time in service centers

- 16% reduction average waiting time
- 17% reduction inbound calls
- Option for call back from service center introduced and 17% utilize this option
- Improved NPS

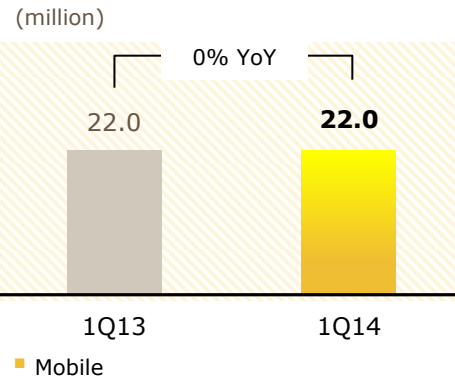
Italy 1Q14: Continued market outperformance

EUR MILLION, UNLESS STATED OTHERWISE

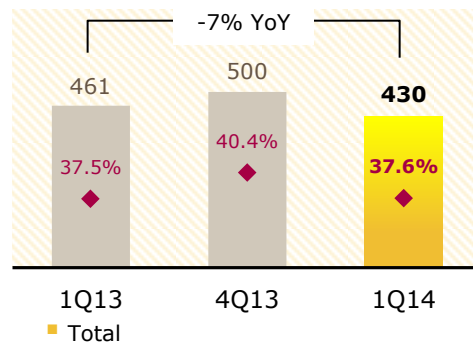
Service revenue



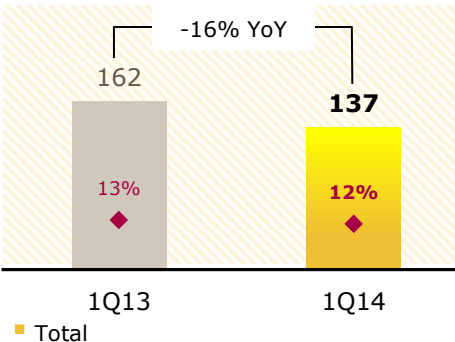
Mobile customers



EBITDA and EBITDA margin



CAPEX¹ and CAPEX/revenue



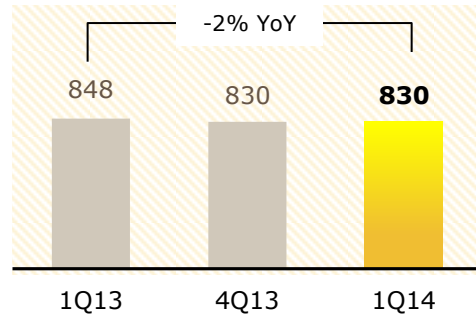
- Continued market outperformance in a competitive environment
- Mobile broadband customers² up 40% YoY to 9.3 million
- Strong mobile data revenue growth of 24% YoY
- Mobile service revenues declined 11% YoY due to intense price competition in 2013, MTR reduction and SMS contraction
- CAPEX investments in HSPA+ and 4G/LTE networks
- Market expected to be challenging for remainder of 2014

1. CAPEX in 1Q13 excludes €136 million of non-cash increase in intangible assets related to the contract with Terna for the Right of Way of WIND's backbone
 2. Mobile broadband includes customers that have performed at least one mobile Internet event in the previous month

Africa & Asia¹ 1Q14: Good recovery in Bangladesh, solid performance in Pakistan, resolution in Algeria

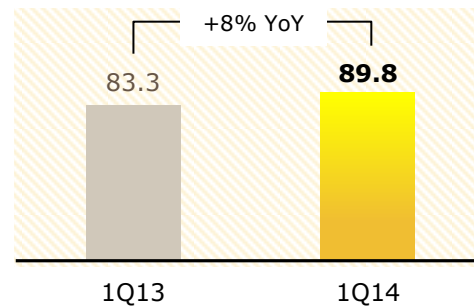
USD MILLION, UNLESS STATED OTHERWISE

Service revenue

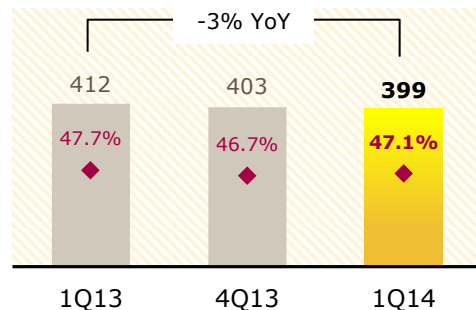


Mobile customers

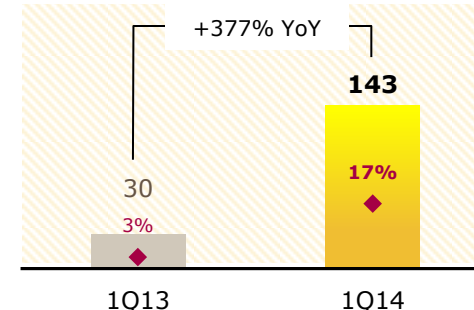
(million)



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Revenue and EBITDA organically declined 1% YoY and 3% YoY
- Mobile customer growth supported by strong additions in Bangladesh
- Reported results negatively affected by local currency depreciation, mainly in Pakistan
- CAPEX increase due to 3G roll-out in Algeria and Bangladesh and network modernization in Pakistan

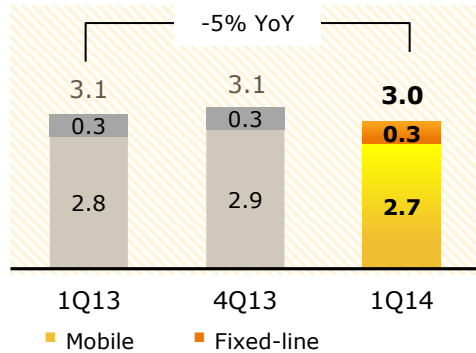
Algeria plans post settlement

- Closing of the transaction is expected by the end of 2014
- Agreement will facilitate the procurement procedures, the deployment of the 3G network and the revamping of the existing network
- Agreement enables modernization of the existing network and fulfilment of coverage gaps
- Djezzy maintained a high customer loyalty with the lowest churn in the market
 - ▶ Continued focus on customer excellence
- Launch of 3G is expected in 2Q14
 - ▶ The roll-out of 3G is progressing according to plan
 - ▶ Offer innovative customer focused solutions
- Djezzy to benefit from the Group contracts for technology and services
- National 3G coverage expected to be reached by end of 2015

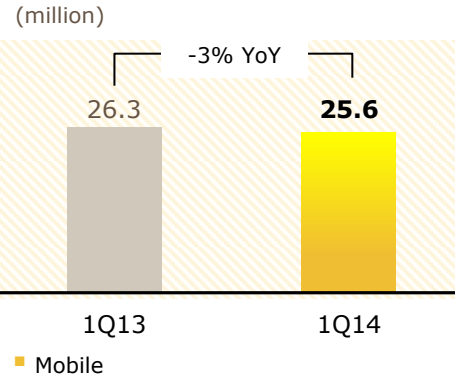
Ukraine 1Q14: Transformation program on track, delivering first signs of improvements

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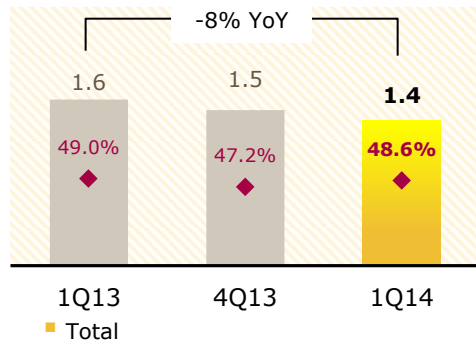
Service revenue



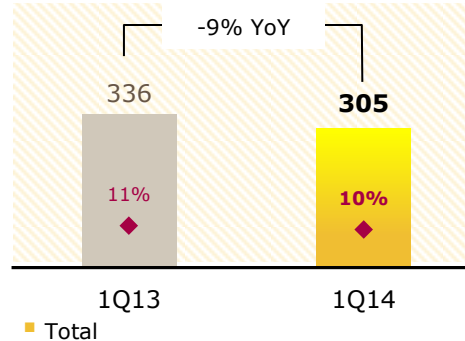
Mobile customers



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue

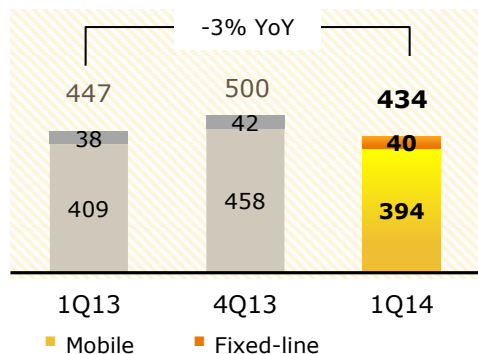


- Kyivstar's operations in 1Q14 not materially impacted despite challenging macro- economic and political environment
- Fixed broadband customers increased 19% YoY
- Strong operating cash flow margin of 38%
- The transformation program is on track and showing initial positive results
- CAPEX: network modernization for 3G readiness
- Environment expected to remain challenging in 2014

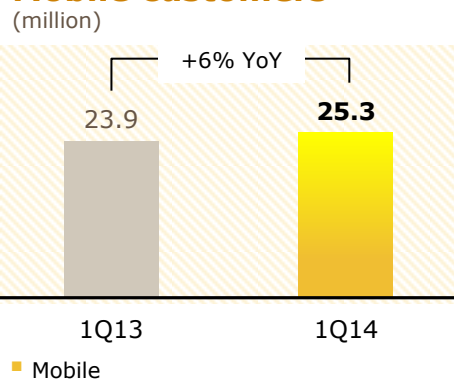
CIS¹ 1Q14: Solid results

USD MILLION, UNLESS STATED OTHERWISE

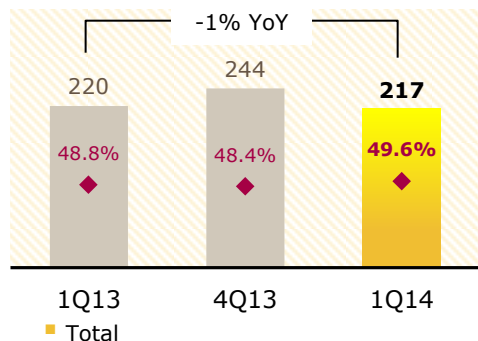
Service revenue



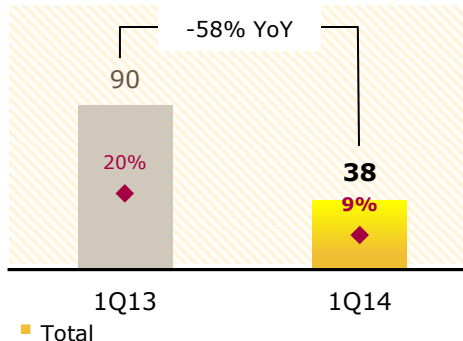
Mobile customers



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Mobile service revenue increased organically 2% YoY
- Mobile data revenue growth of 29% YoY
- Mobile customers increased 6% YoY, primarily due to 8% growth in Kazakhstan
- EBITDA increased 4% organically YoY
- EBITDA margin increased 0.8 pp to a strong 49.6%
- CAPEX decline due to temporary delays in equipment delivery and roll-out in Kazakhstan and Uzbekistan

Financial Highlights

Financial performance 1Q14

USD million	1Q14	1Q13	YoY	
Revenue	5,024	5,591	(10%)	• Revenue declined organically 5% YoY, mainly due to operational performance in Russia and continued market weakness in Italy
<i>of which service revenue</i>	<i>4,810</i>	<i>5,322</i>	<i>(10%)</i>	
EBITDA	2,088	2,348	(11%)	• EBITDA declined organically 6% YoY
EBITDA Margin	41.6%	42.0%	(0.4 p.p.)	• Strong EBITDA margin, supported by continued focus on operational excellence
D&A/Other	(1,163)	(1,241)	(6%)	• Declining amortization of intangible assets associated with the Wind Telecom acquisition
EBIT	925	1,107	(16%)	
Financial expenses	(513)	(501)	2%	
FOREX and Other	(166)	(63)	n.m.	• FOREX loss mainly due to devaluation of local currencies in Russia, Ukraine, Kazakhstan and Pakistan
Profit before tax	246	543	n.m.	
Tax	(173)	(213)	n.m.	• High effective tax rate mainly due to non-deductible interest expenses and the change in geographical profit mix
Non-controlling interest	(34)	78	n.m.	• GTH profit in 1Q14 and GTH loss in 1Q13
Net income¹	39	408		

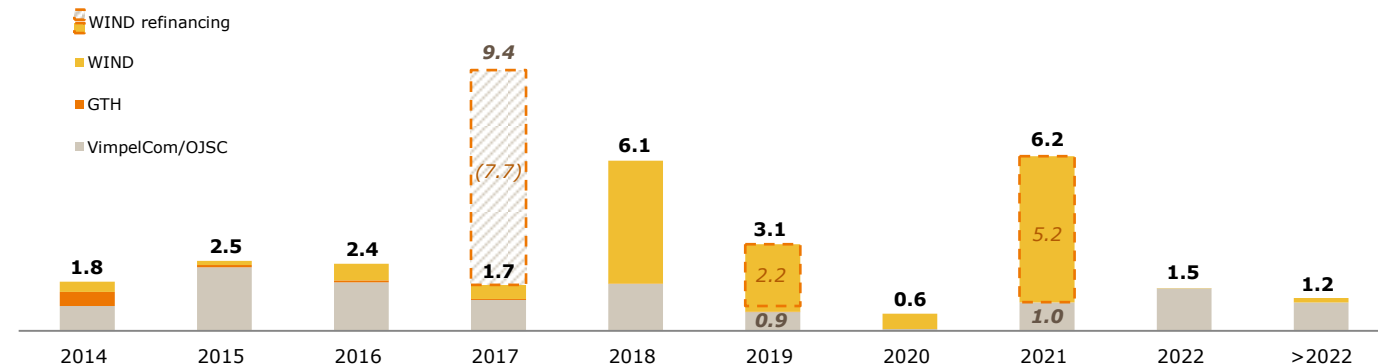
Cash flow

USD million	1Q14	1Q13	YoY	
EBITDA	2,088	2,348	(260)	
Changes in working capital and other	(34)	(267)	233	• Mainly due to improvements in trade working capital
Net interest paid	(652)	(581)	(71)	• Due to bonds issued in 1Q13 with semi-annual interest payment
Income tax paid	(234)	(226)	(8)	
Net cash from operating activities	1,168	1,274	(106)	
Net cash used in investing activities	(1,211)	(1,054)	(157)	• Investments in high-speed data networks
Net proceeds from borrowings	210	1,778	(1,568)	• Bonds totaling USD 2.0 billion were issued in 1Q13
Dividends paid to equity holders	(10)	(1,280)	1,270	• No final dividend for 2013
Net cash from financing activities	200	498	(298)	
Net increase in cash and cash equivalents	157	718	(561)	

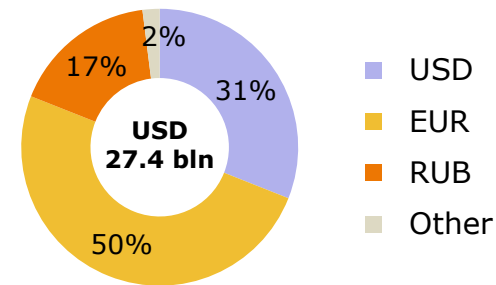
Improved maturity profile

Pro Forma¹ group debt maturity schedule as at 31 March 2014

USD billion



Debt composition by currency²



Net Debt/ EBITDA³

2.4

Gross Debt/ EBITDA³

2.9

Average Cost of Debt

8.2%

EBITDA / Financial income and expenses

4.1

1. Pro Forma for group debt maturity schedule as at 31 March 2014 reflects recent WIND refinancing

2. After effect of cross currency swaps

3. Normalized LTM EBITDA excluding one-off charges related to the Algeria resolution and fixed assets write off to operating expenses in Uzbekistan

Revised annual targets for 2014

	Previous targets ¹ 2014	Revised targets ¹ 2014
Revenue	Stable YoY	Low to mid single digit decline YoY
EBITDA	Stable YoY	Low to mid single digit decline YoY
Leverage (Net Debt / EBITDA)	~2.3x	~2.4x
CAPEX excl. licenses / Revenue	~21%	~21%

Conclusion

Jo Lunder
CEO

Challenging 2014

- ▶ Favorable resolution in Algeria & successful refinancing of WIND
- ▶ Results impacted by operational performance in Russia and market weakness in Italy
- ▶ Transformation Phase 2 in Russia on track
- ▶ Continued outperformance in the competitive Italian market
- ▶ Transformation process in Ukraine progressing well
- ▶ Solid performance in CIS and Africa & Asia
- ▶ High EBITDA margin
- ▶ Solid cash flow generation despite high investments
- ▶ Targets adjusted to reflect ongoing challenges

Q&A

Further information

Investor Relations

Claude Debussylaan 88
1082 MD Amsterdam
The Netherlands

T: +31 20 79 77 234
E: ir@vimpelcom.com

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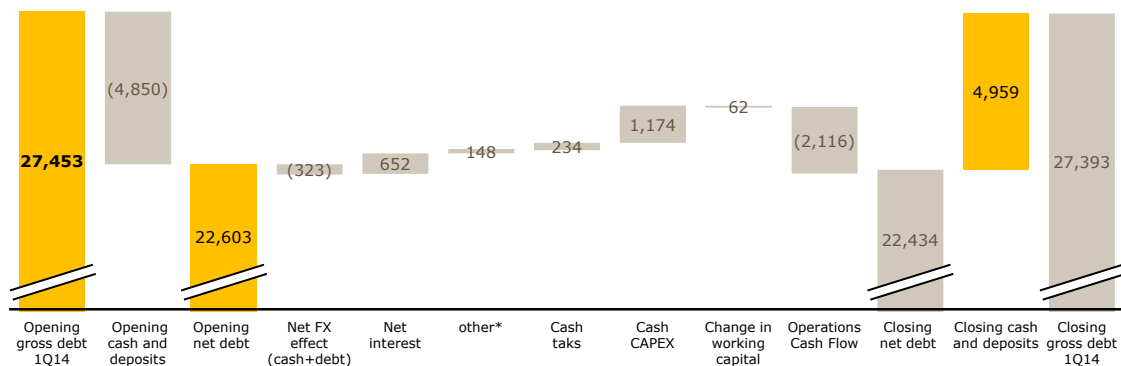
Thank you!

Appendices

Debt and cash

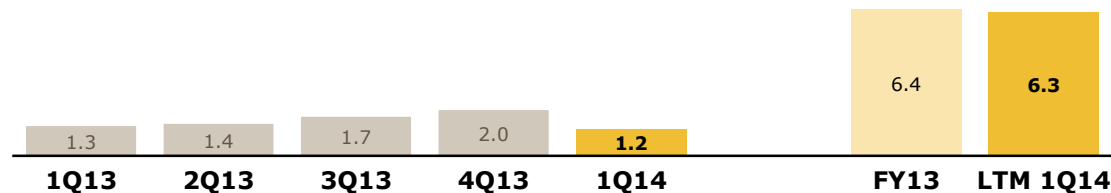
Consolidated cash and net debt development

Actual 1Q14 (USD million)



Net cash flow from operating activities

(USD billion)



During 1Q14:















- Draw downs under existing Vendor Financing facilities for USD 280 million

Available headroom under committed revolving credit facilities as at the end of March 2014:

- VimpelCom¹: USD 507 million
- OJSC: RUB 15 billion (USD 420 million)
- Wind: EUR 250 million (USD 344 million)

¹ In April 2014 replaced by new facilities USD 2.7 billion

FOREX rates used in annual targets for 2014

	Currency	FX rates versus USD
 Algeria	DZD	81
 Armenia	AMD	420
 Bangladesh	BDT	80
 Canada	CAD	1.05
 Egypt	EGP	8.0
 Georgia	GEL	1.7
 Italy	EUR	0.80
 Kazakhstan	KZT	155
 Kyrgyzstan	KGS	47
 Laos	LAK	8,000
 Pakistan	PKR	110
 Russia	RUB	32
 Ukraine	UAH	9.5
 Zimbabwe	ZWD	325

Revenue and EBITDA development in 1Q14

1Q14

	Revenue YoY		EBITDA YoY	
	Organic	Reported	Organic	Reported
Russia	(6%)	(18%)	(9%)	(21%)
Italy	(7%)	(3%)	(7%)	(3%)
Africa & Asia	(1%)	(2%)	(3%)	(3%)
Ukraine	(7%)	(15%)	(8%)	(16%)
CIS	3%	(3%)	4%	(1%)
Consolidated	(5%)	(10%)	(6%)	(11%)

FOREX development

RATES OF FUNCTIONAL CURRENCY TO USD

	Average rates			Closing rates		
	1Q14	1Q13	YoY	1Q14	4Q13	YoY
Russian Ruble	34.96	30.41	(13.0%)	35.69	32.73	(8.3%)
Euro	0.73	0.76	3.8%	0.73	0.73	0.2%
Algerian Dinar	78.01	78.65	0.8%	78.54	78.38	(0.2%)
Pakistan Rupee	103.55	97.89	(5.5%)	98.19	105.33	7.3%
Bangladeshi Taka	77.67	79.06	1.8%	77.60	77.67	0.1%
Ukrainian Hryvnia	8.86	7.99	(9.8%)	10.95	7.99	(27.0%)
Kazakh Tenge	169.77	150.67	(11.3%)	182.04	153.61	(15.6%)
Armenian Dram	410.87	409.15	(0.4%)	413.31	405.64	(1.9%)
Kyrgyz Som	51.92	47.71	(8.1%)	54.48	49.25	(9.6%)

Reconciliation of EBITDA

USD mln

Unaudited

EBITDA

Depreciation

Amortization

Impairment loss

Loss on disposals of non-current assets

EBIT

Financial Income and Expenses

- including finance income

- including finance costs

Net foreign exchange loss and others

- including Other non-operating losses

- including Shares of loss of associates and joint ventures accounted for using the equity method

- including Net foreign exchange (loss) / gain

EBT

Income tax expense

Profit for the year

Profit/(loss) for the year attributable to non-controlling interest

Profit for the year attributable to the owners of the parent

	1Q14	1Q13
EBITDA	2,088	2,348
Depreciation	(758)	(766)
Amortization	(394)	(454)
Impairment loss	-	(18)
Loss on disposals of non-current assets	(11)	(3)
EBIT	925	1,107
Financial Income and Expenses	(513)	(501)
- including finance income	14	22
- including finance costs	(527)	(523)
Net foreign exchange loss and others	(166)	(63)
- including Other non-operating losses	(37)	(26)
- including Shares of loss of associates and joint ventures accounted for using the equity method	(37)	(65)
- including Net foreign exchange (loss) / gain	(92)	28
EBT	246	543
Income tax expense	(173)	(213)
Profit for the year	73	330
Profit/(loss) for the year attributable to non-controlling interest	34	(78)
Profit for the year attributable to the owners of the parent	39	408

Reconciliation of consolidated net debt

USD mln

	1Q13	4Q13	1Q14
Net debt	22,861	22,603	22,434
Cash and cash equivalents	5,564	4,454	4,540
Long-term and short-term deposits	190	396	419
Gross debt	28,615	27,453	27,393
Interest accrued related to financial liabilities	448	606	434
Unamortised fair value adjustment under acquisition method of accounting	62	665	625
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	749	29	17
Derivatives not designated as hedges	466	204	238
Derivatives designated as hedges	131	271	271
Total other financial liabilities	30,471	29,228	28,978