Pioneering towards the digital frontier

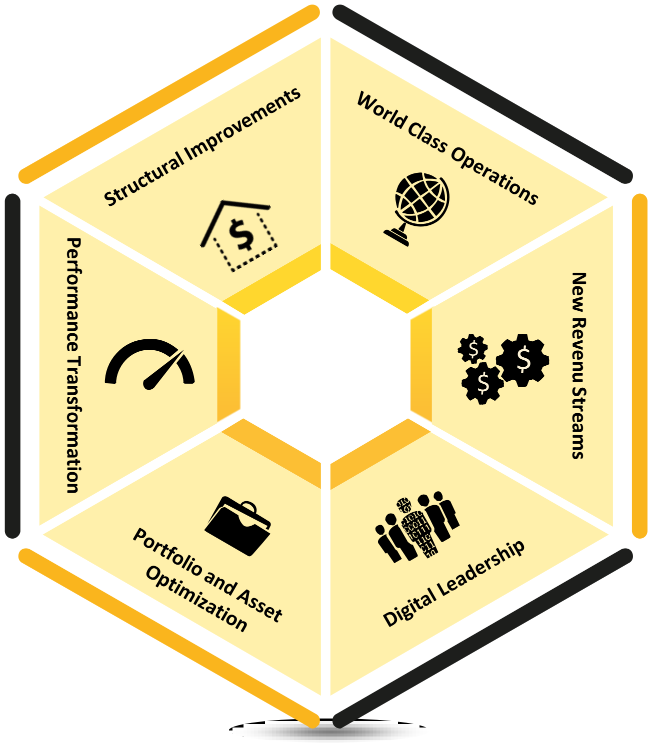
London, February 17, 2016

VimpelCom

Agenda

- 2:00pm **Introduction:** Bart Morselt – Group Director & Head of IR
- 2:10pm **2015 key achievements :** Jean-Yves Charlier – Chief Executive Officer
- 2:20pm **Group FY2015 results:** Andrew Davies – Chief Financial Officer
- 3:00pm **The vision & World class operations:** Jean-Yves Charlier – Chief Executive Officer
- 3:20pm **New revenue streams & Digital leadership (customer interaction):** Christopher Schlaeffer – Chief Digital Officer
- 3:50pm **Q&A (30') + Coffee and tea break (20')**
- 4:40pm **Digital leadership (digital enablement) & Portfolio and asset optimization:** Yogesh Malik –Chief Technology Officer
- 5:10pm **Performance transformation:** Alexander Matuschka – Chief Performance Officer
- 5:40pm **Structural improvements:** Andrew Davies – Chief Financial Officer

  FY2016 outlook: Andrew Davies – Chief Financial Officer
- 6:00pm **Q&A + Refreshments**



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Disclaimer

These presentations contain “forward-looking statements”, as the phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Forward-looking statements are not historical facts, and include statements relating to, among other things, the Company’s anticipated performance and stated performance targets for future years; future market developments and trends; future operational and network development and network investment; and the Company’s strategic priorities, including with respect to, among other things, new revenue streams and digital leadership, and its planned performance transformation. The forward-looking statements included in these presentations are based on management’s best assessment of the Company’s strategic and financial position and of future market conditions, trends and other potential developments. 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 government investigations or other regulatory actions and/or litigation with third parties (including with respect to the investigations by, and our prospective settlements with, the U.S. Securities and Exchange Commission (the “SEC”), the U.S. Department of Justice, and the Dutch Public Prosecution Service (Openbaar Ministerie)). Certain other 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, 2014 filed with the SEC and other public filings made by the Company with the SEC. The forward-looking statements speak only as of the date hereof, and the Company disclaims any obligation to update them or to announce publicly any revision to any of the forward-looking statements contained in these presentations, or to make corrections to reflect future events or developments.

Key achievements in 2015

Jean-Yves Charlier

Chief Executive Officer VimpelCom

London, February 17, 2016

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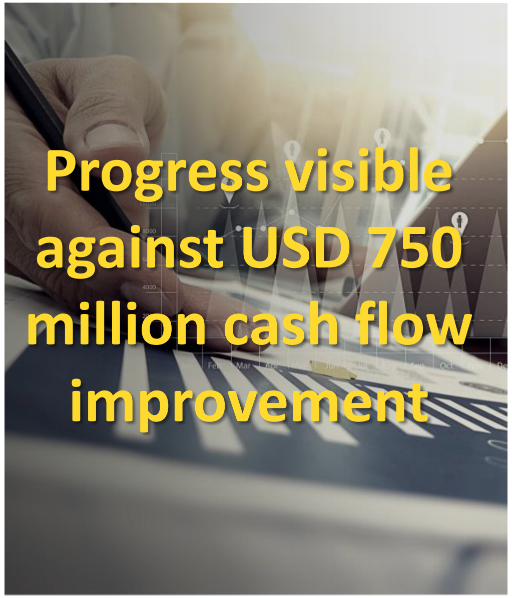
VimpelCom has delivered on its 2015 targets despite a difficult backdrop of currency devaluations and economic challenges

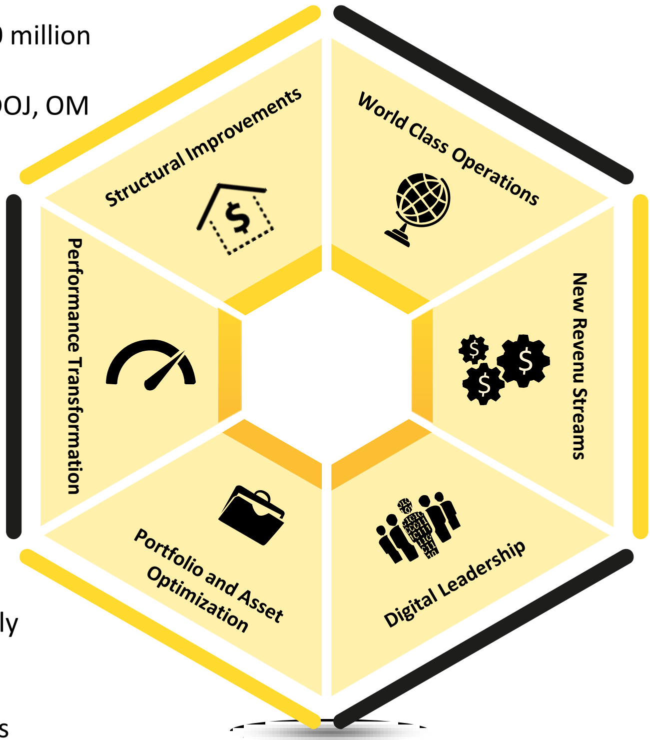


2015 Key achievements

- Refinancing for USD 5 billion
- Reduction in interest costs by ~200 million
- Algeria transaction completed
- Prospective settlement with SEC, DOJ, OM

- Set-up of performance transformation team across the footprint
- Focus on simplification, digitalization and globalization of operations
- Reduction in 2015 Capex/Revenues ratio by ~3 p.p. to 18.2%

- Italian towers sale
- Joint Venture with Hutchison in Italy
- Merger with Warid in Pakistan
- Russian network sharing (MTS, Megafon) strategic initiatives
- Zimbabwe sale agreement



- Implementing a global operating model
- Strengthened the management team
- Focus on NPS with leadership position in 7 countries

- Data revenue growth 24% YoY in FY15
- Strong focus on developing the device portfolio and monobrand footprint
- Dedicated B2B division to focus on the enterprise segment
- Leverage the fixed broadband operations in 5 countries with 3.4 million customers

- Mobile financial services revenue more than doubled YoY in FY15
- London Digital division announced
- Investment in new customer engagement platform and new digital IT stack launched

~40% of USD 750 million cash flow improvement target already delivered in 2015

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Currency devaluation and economic turmoil remain challenging in emerging markets

	2014	2015
Forex impact	-11%	-30%
Reported total revenue	-14% USD 13.4 billion	-29% USD 9.6 billion
Organic total revenue	-3%	+0.6%

Against this backdrop, 2015 revenue stabilized, on an organic basis

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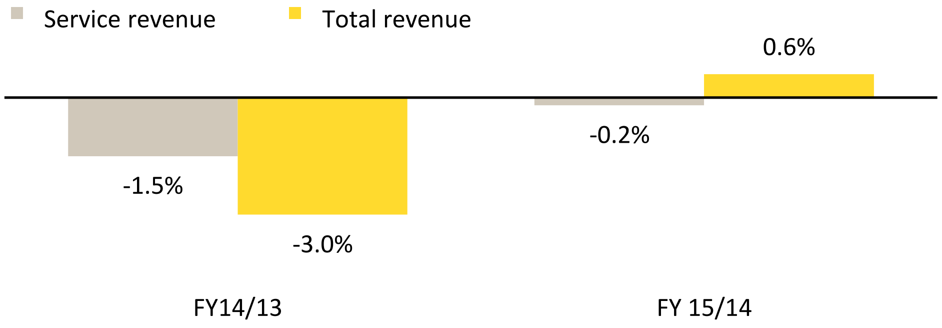
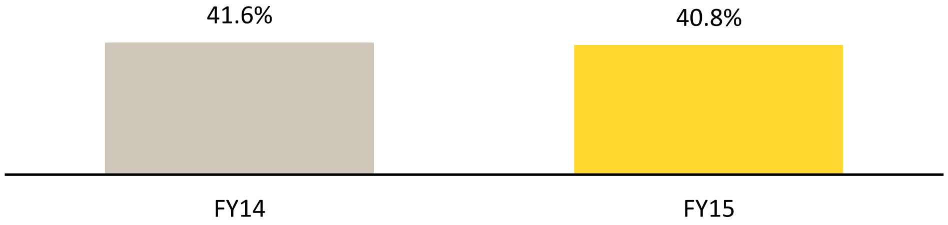
Group results FY15 - overview

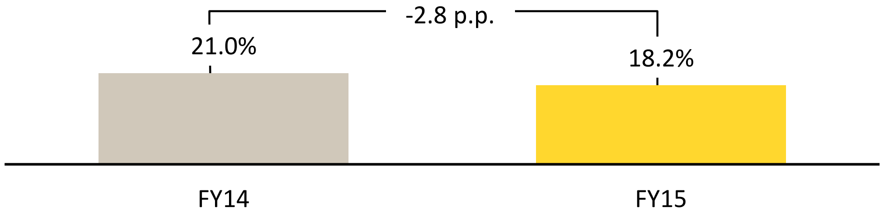
Service revenue and Total revenue YoY organic[1] development



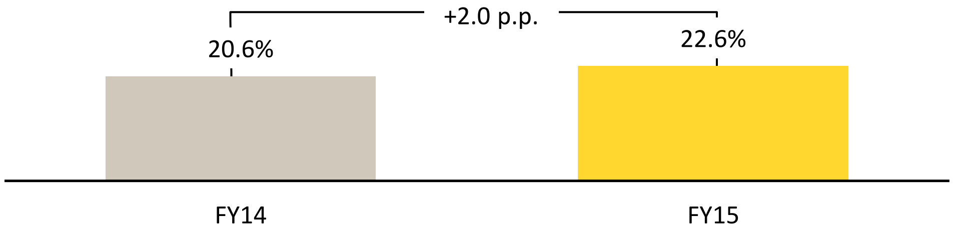
Underlying[2] EBITDA Margin development



Capex/revenue development



OCF Margin = (Underlying EBITDA[2] – CAPEX)/revenue



[1] *Organic revenue change is non-GAAP financial measure that excludes the effect of foreign currency translation and certain items such as liquidations and disposals*

[2] *Underlying EBITDA margin excludes in 2014 nonrecurring items of USD 65 million, mainly related to the Algeria transaction (USD 50 million); in 2015, it excludes USD 1,069 million, which mainly consists of provisions for investigations (related to SEC/DOJ/OM) of USD 900 million and transformation costs of USD 156 million*

2015 key targets delivered

	Targets 2015[1]		Actual[1]
Service Revenue	Flat to low single digit decline YoY	✓	-0.2%
EBITDA Margin[2]	Flat to minus one p.p. YoY	✓	40.8% (from 41.6% in 2014)
CAPEX / Revenue	18-20%	✓	18.2%
Leverage (Net Debt / EBITDA)	~1.6x	✓	1.4x

[1] Key targets for 2015 assumed constant currency, no major regulatory changes, no change to the asset portfolio and no major macro-economic changes and no transformation costs; targets are also adjusted for Italy classified as asset held for sale

[2] EBITDA Margin at constant currency and stable fair value of derivatives, excluding exceptional charges such as impairment charges, restructuring charges, litigation and settlements, impact of M&A transactions and related accounting, other one-off charges, transformation costs

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2015 Results

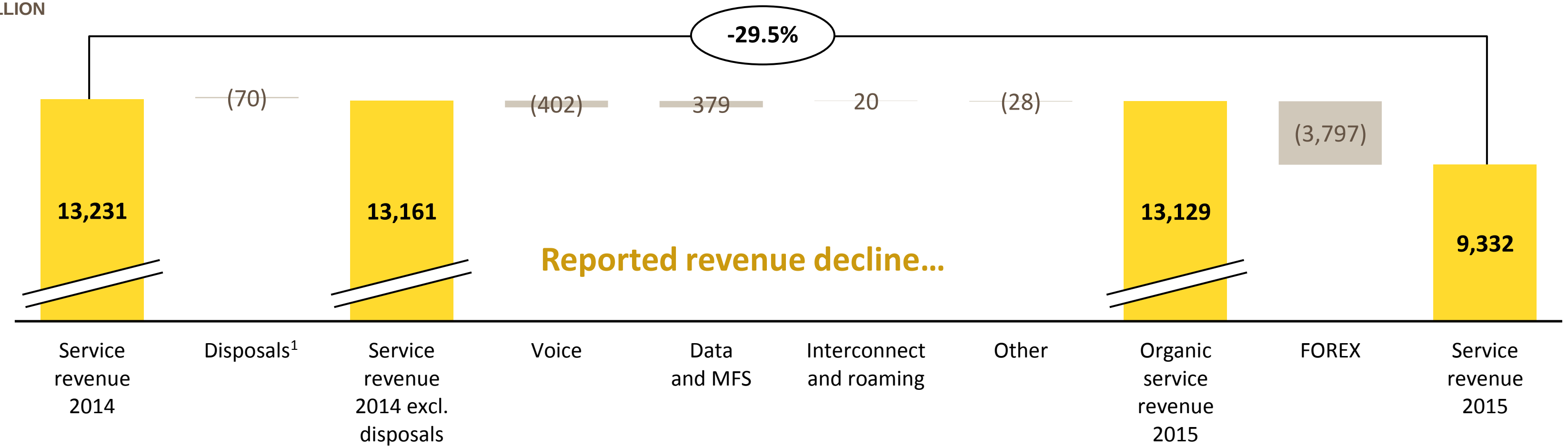
Andrew Davies

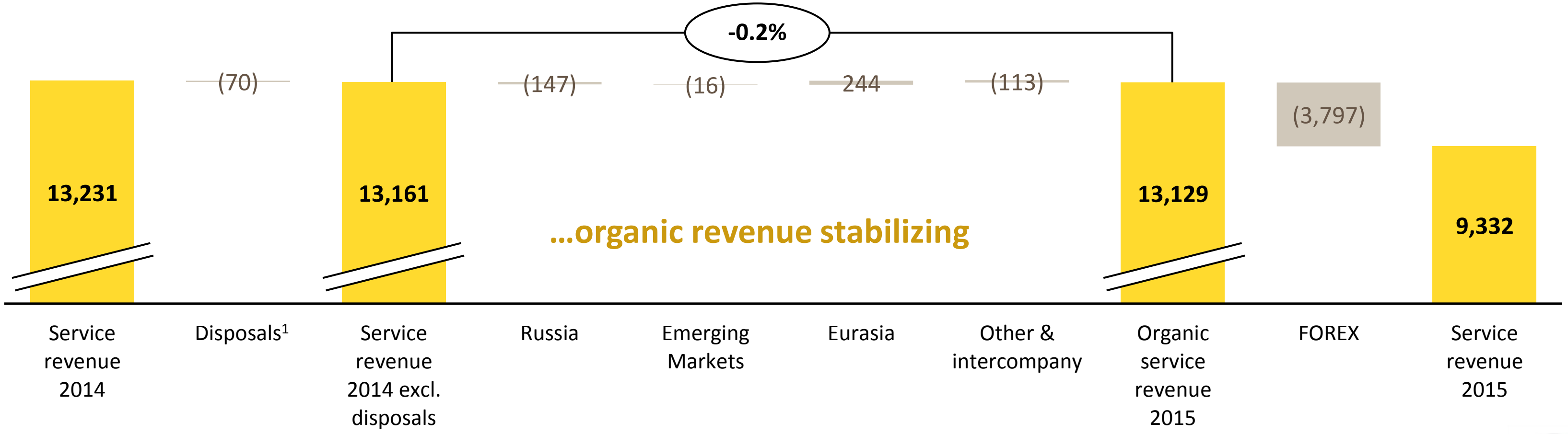
Chief Financial Officer

London, February 17, 2016

2015 group service revenue

USD MILLION





[1] *Organic growth excludes CAR and Burundi contribution in service revenue for 2014, due to disposal in October 2014*

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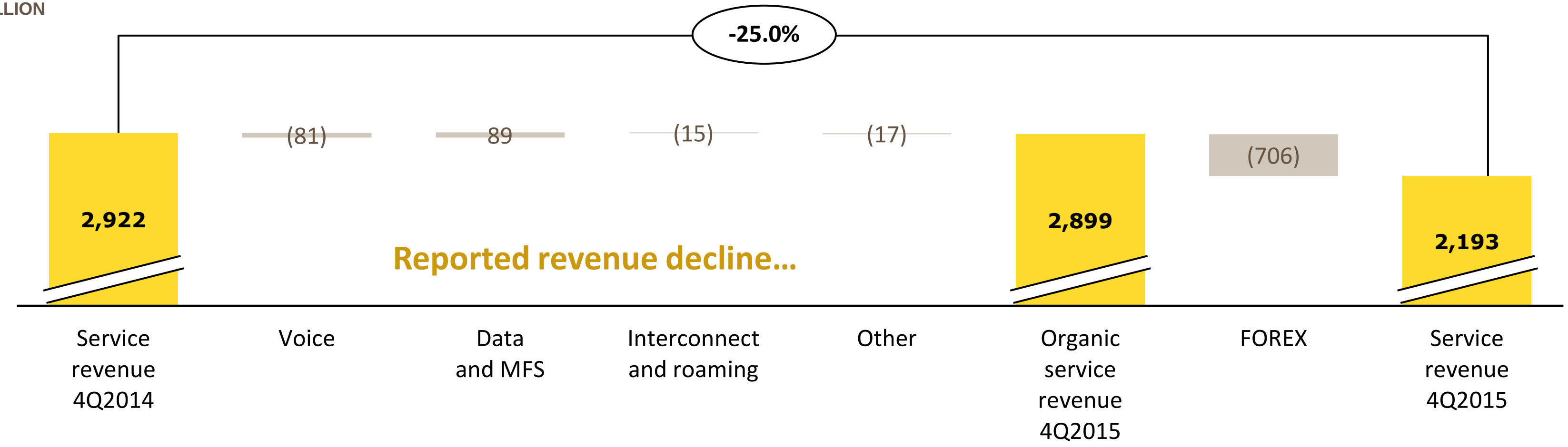
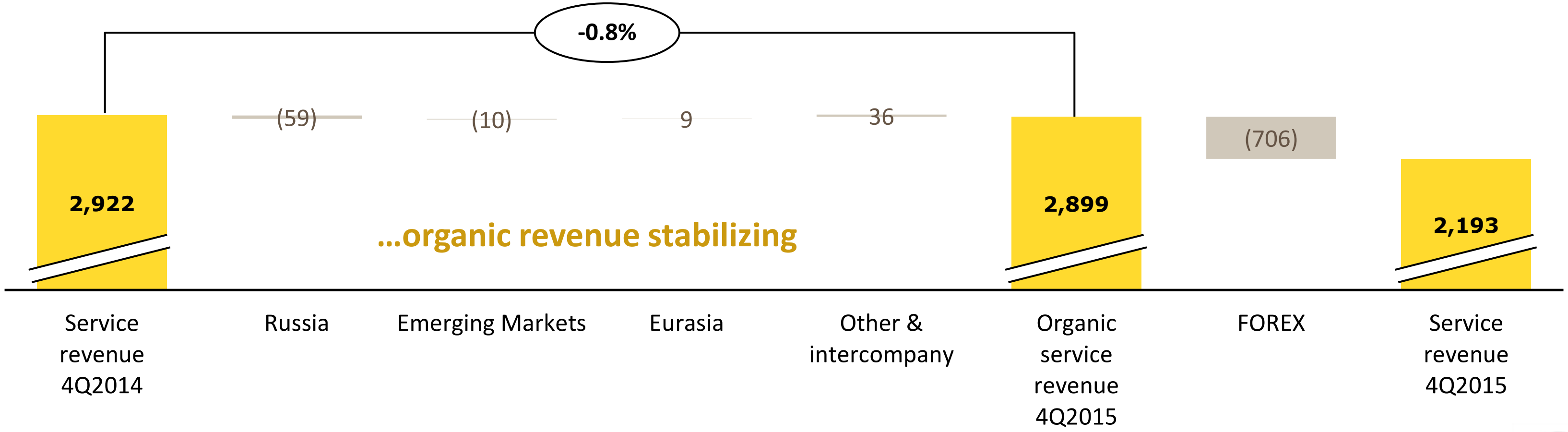
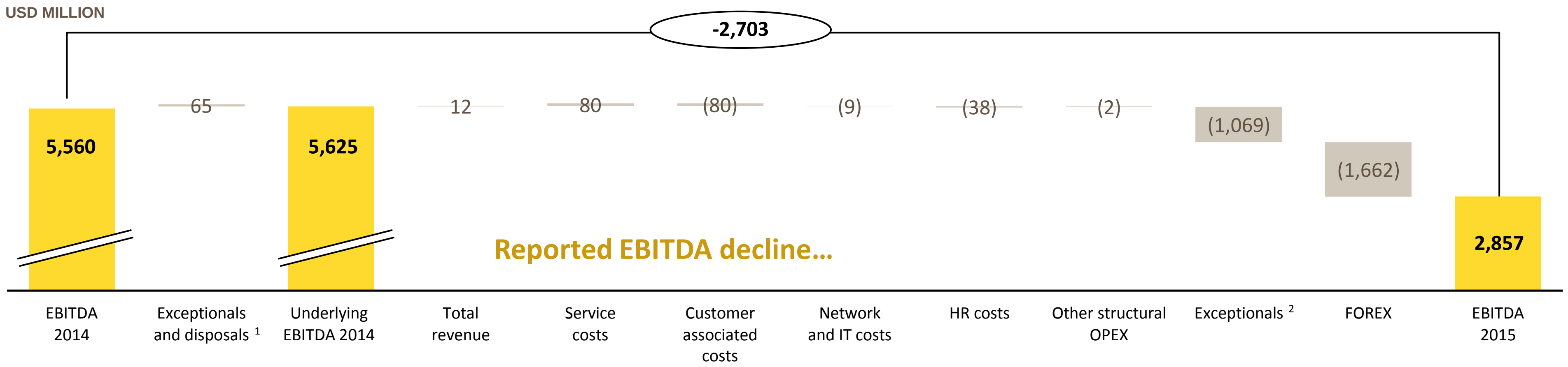
4Q15 group service revenue

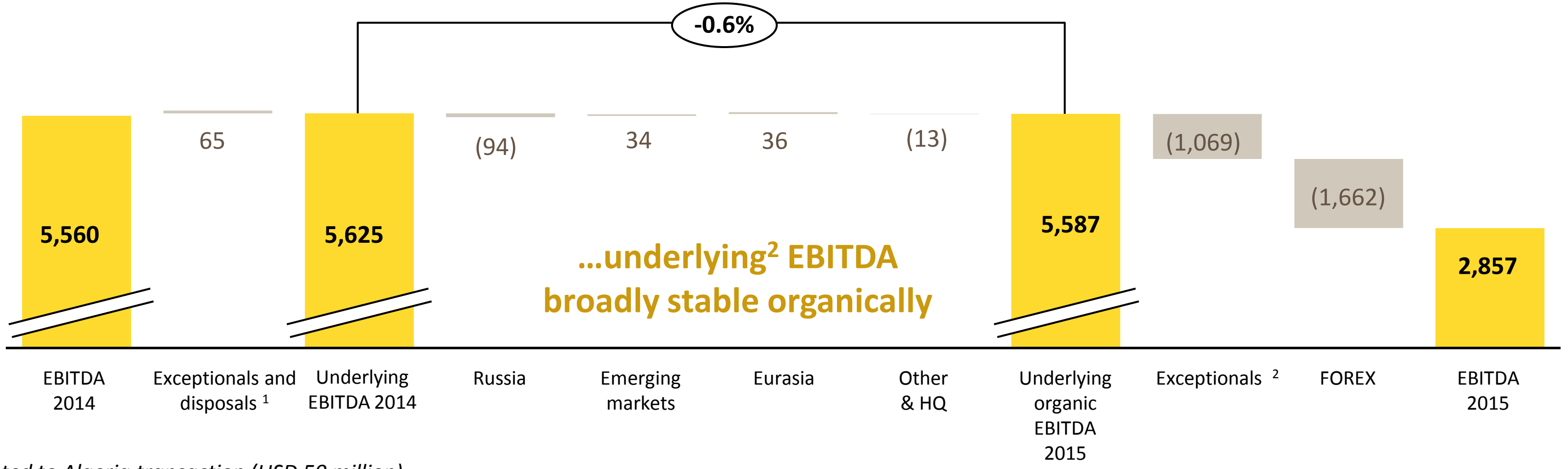
USD MILLION





2015 group EBITDA





[1] *Mainly related to Algeria transaction (USD 50 million)*

[2] *Excluding USD 1,069 million, which mainly consists of provisions for investigations (related to SEC/DOJ/OM) of USD 900 million and transformation costs of USD 156 million*

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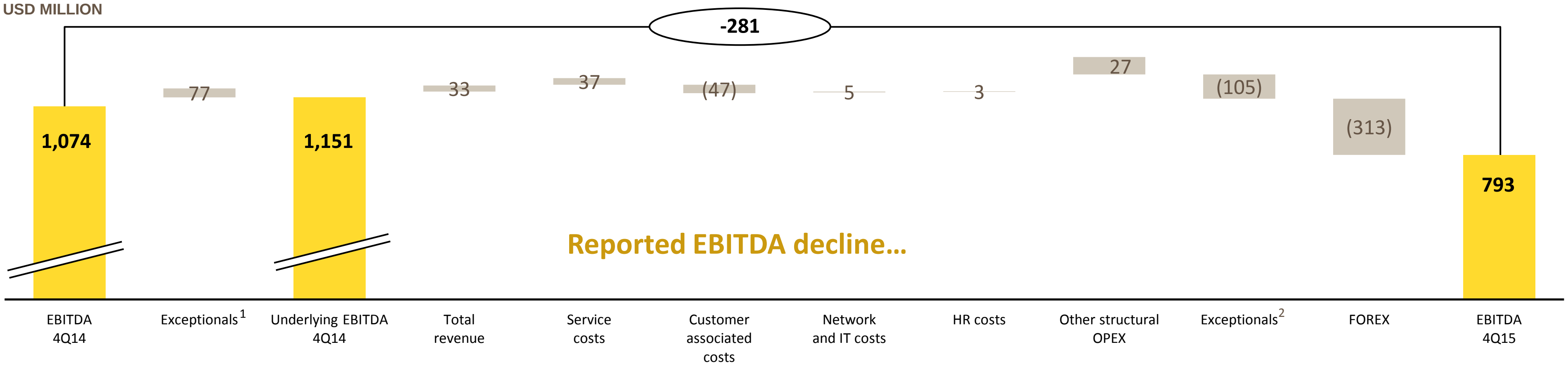
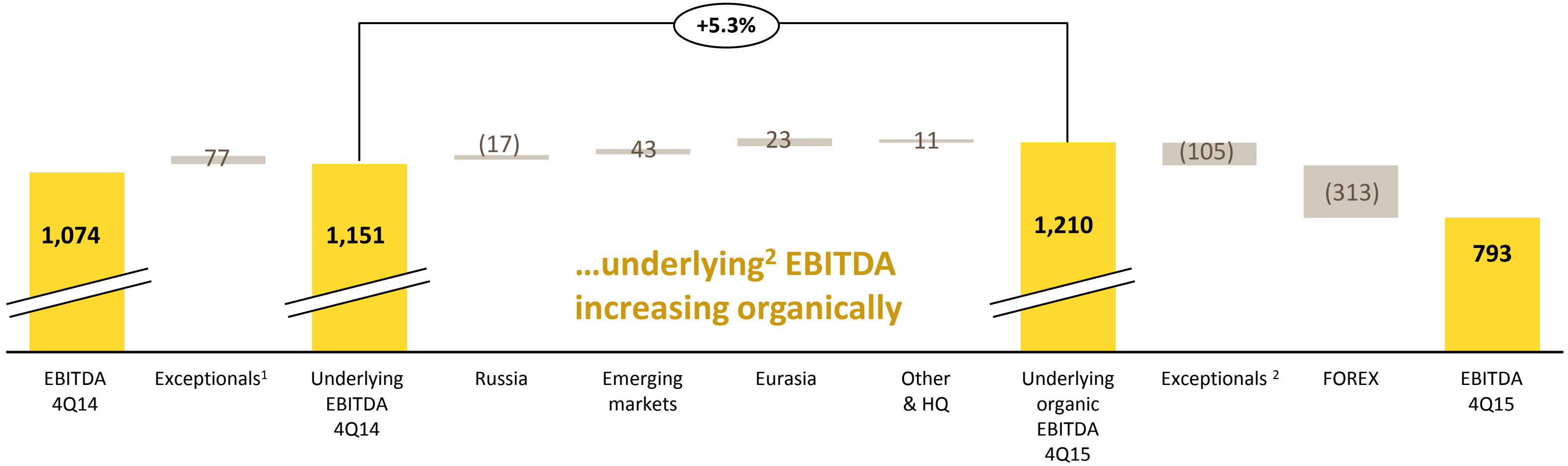
4Q15 group EBITDA





[1] Mainly related to Algeria transaction closing (USD 50 million) and other exceptional items in 4Q14

[2] Related to transformation costs of USD 112 million, legal costs on Uzbekistan investigation of USD 11 million and net of others net positive items for USD 18 million

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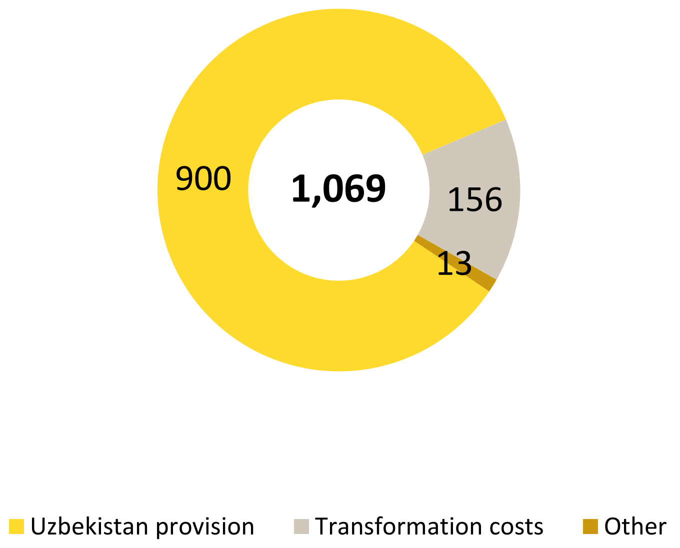
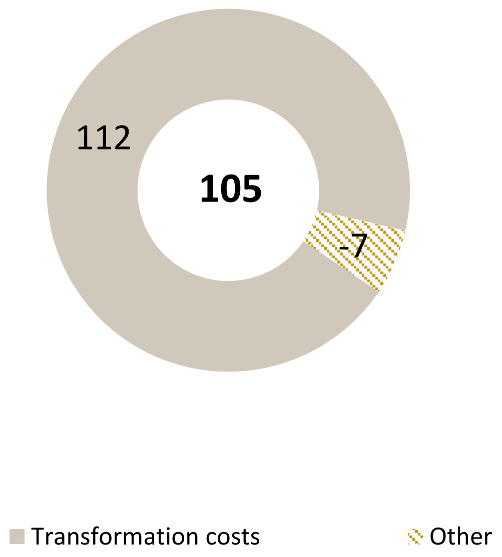
2015 EBITDA exceptional items

FY15 Exceptional items breakdown
(USD million)



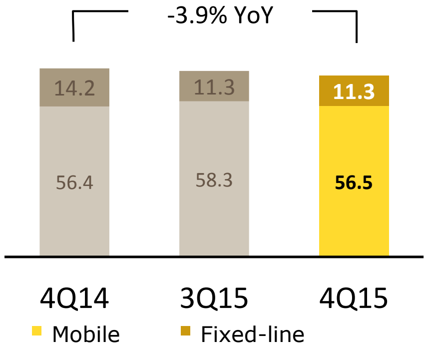
4Q15 Exceptional items breakdown
(USD million)



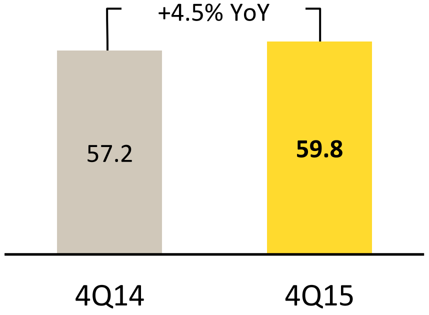
Russia: continued operational improvements

RUB BILLION, UNLESS STATED OTHERWISE

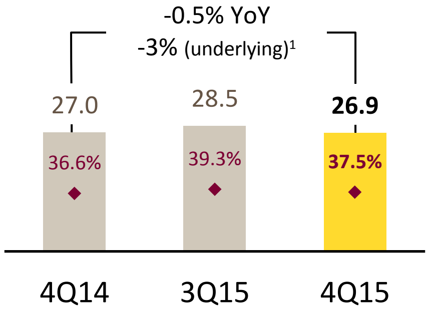
Service revenue



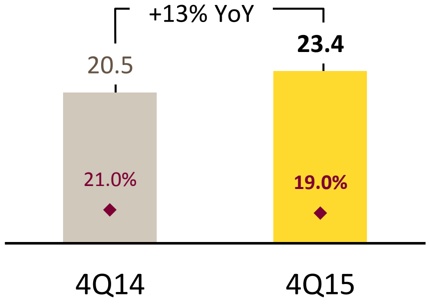
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



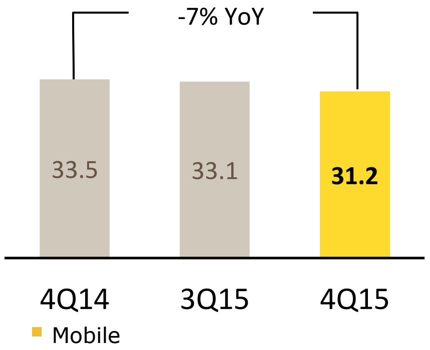
- Improved quality of the customer base, NPS gap vs #1 (among big 3) further reduced
- Customer base grew YoY for fifth consecutive quarter
- Churn decreased 12 pp YoY to 51%
- Total service revenue decreased 4% YoY
- Slight increase in mobile service revenue YoY, while fixed-line service revenue declined 21% YoY, mainly due to B2B voice
- Good growth in mobile data revenue, up 16% YoY
- Underlying EBITDA stable YoY, excluding the negative effect of the weakening ruble

[1] *4Q15 EBITDA positively impacted by a one-off of RUB 2.2 billion related to site rental capitalization but partially offset by a provision of RUB 1.3 billion related to transformation costs*

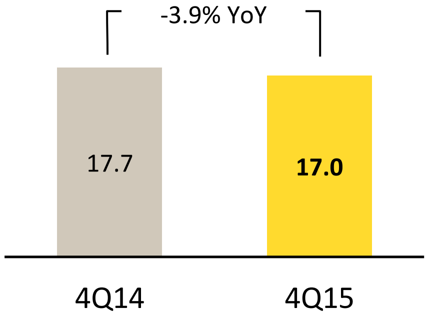
Algeria: transformation program ongoing

DZD BILLION, UNLESS STATED OTHERWISE

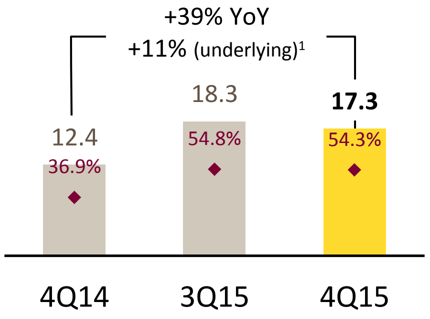
Service revenue



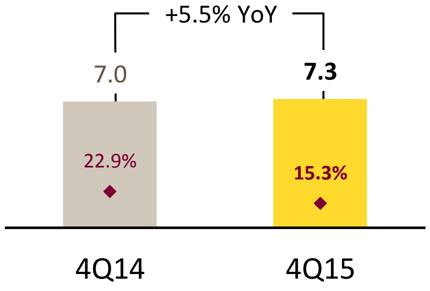
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



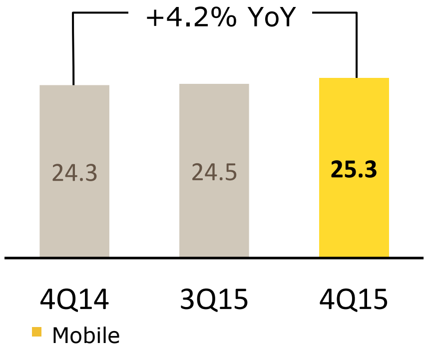
- Transformation program ongoing, however market remains challenging with aggressive price competition
- Service revenue declined YoY due to high-value customer churn and ARPU erosion
- Remained strong leader in NPS
- Data revenue doubled YoY
- EBITDA Margin robust at 54.3% due to
  - Favorable change in interconnect rates
  - Impact of performance transformation program
- CAPEX increased due to further expansion of 3G to new regions

[1] *4Q15 EBITDA negatively impacted by a one-off of DZD 1.3 billion related to transformation costs*
4Q14 EBITDA negatively impacted by a one-off of DZD 4.3 billion related to Algeria closing transaction

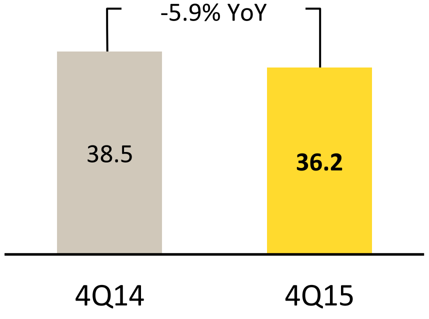
Pakistan: continued revenue and EBITDA growth

PKR BILLION, UNLESS STATED OTHERWISE

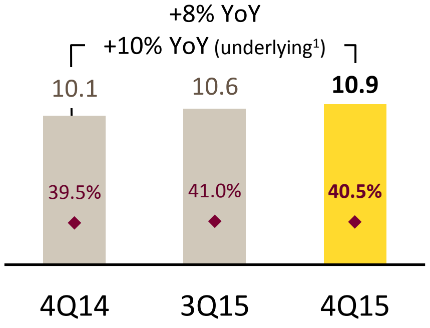
Service revenue



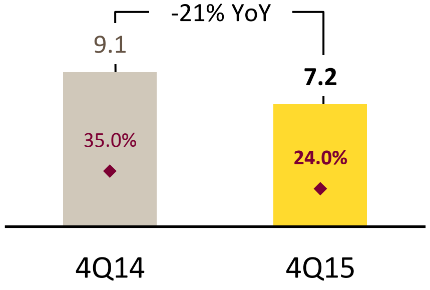
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



- Mobile customers declined due to market SIM verification process (underlying customer base +3% YoY)
- Successful launch of co-branded handsets and smartphones
- Strong data revenue increase of 79% YoY and MFS revenue increase of 72% - MFS now 3% of service revenue
- EBITDA margin >40% for three consecutive quarters
- CAPEX decreased due to the completion of 2G modernization program at the end of 2014, with a substantial improvement in network and service quality

Mobilink

[1] *4Q15 EBITDA negatively impacted by a one-off of PKR 0.2 billion related to transformation costs*

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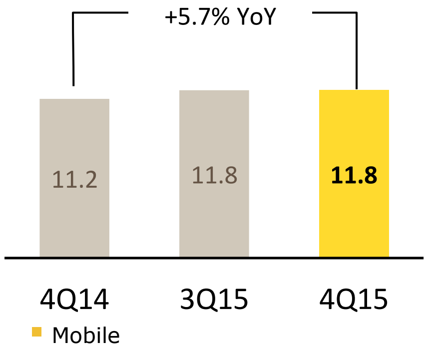
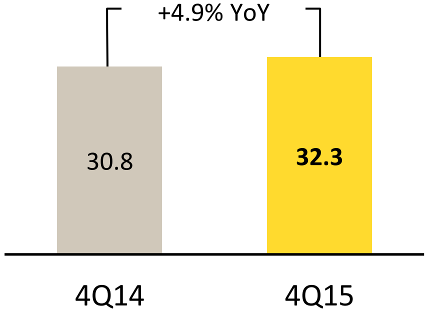
Bangladesh: continued strong performance

BDT BILLION, UNLESS STATED OTHERWISE

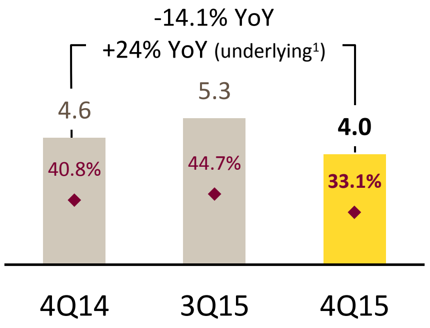
Service revenue



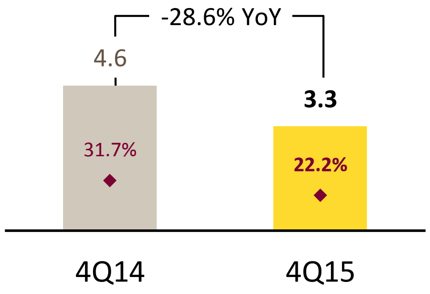
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



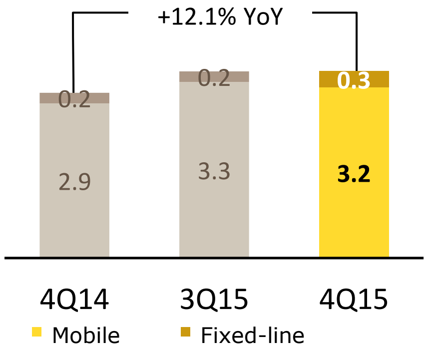
- Customer growth 5% YoY driven by attractive simple tariff offering
- Strong lead in NPS due to strengthened network and attractive data offers
- Ongoing strong growth in data revenue at 65% YoY
- Robust underlying EBITDA Margin at 48%, excluding performance transformation costs and movements in provisions

[1] *4Q15 EBITDA negatively impacted by a one-off of BDT 1.8 billion related to transformation costs*

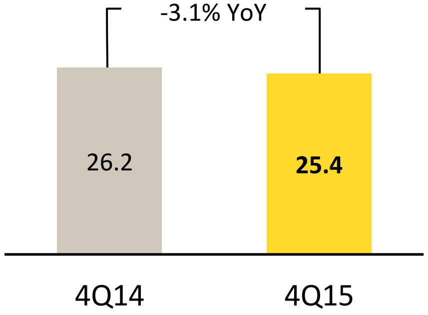
Ukraine: robust results supported by successful 3G launch

UAH BILLION, UNLESS STATED OTHERWISE

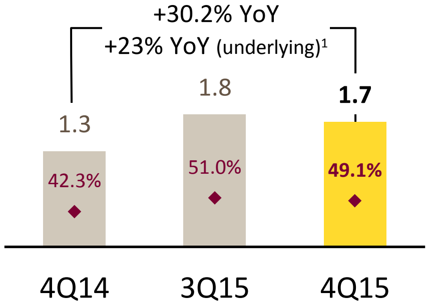
Service revenue



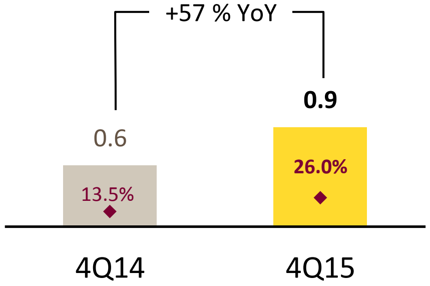
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



- Market leadership continues to strengthen, despite challenging macro-economic environment
- Successful 3G launch with most extensive national coverage
- Mobile data revenue growth of 75% YoY
- Solid mobile service revenue growth driven by higher interconnect revenue and 3G launch

КИЇВСТАР

[1] *4Q14 EBITDA negatively impacted by a one-off of UAH 72 million related to non-recoverable VAT expenses*

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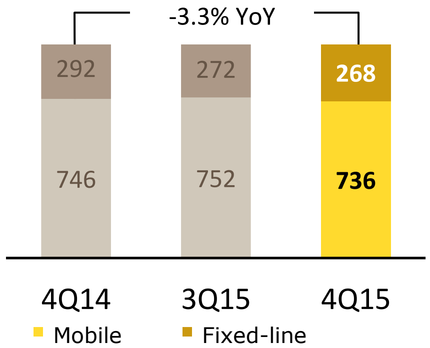
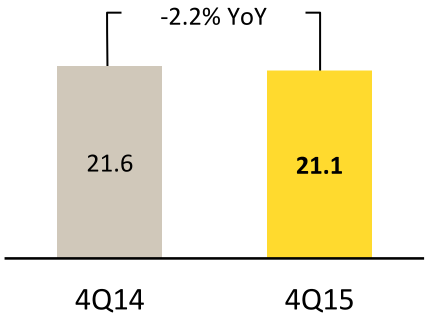
Italy: ongoing sequential improvement

EUR MILLION, UNLESS STATED OTHERWISE

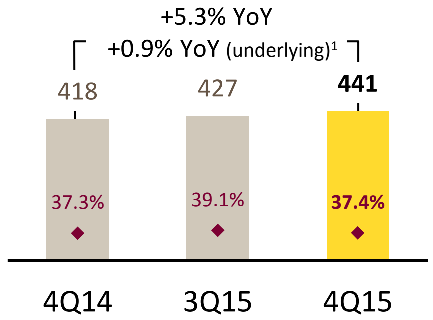
Service revenue



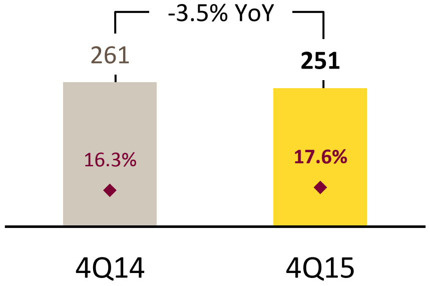
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



- Further YoY improvement in mobile service revenue trend
- Mobile ARPU stable, confirming the trend seen throughout 2015
- Double digit mobile data revenue with data customers growing 14% YoY
- Fixed broadband customer base grew +3% YoY with dual play customer up 7% YoY
- 4G/LTE population coverage now at 56%
- EC competition authority formally notified on February 5, 2016

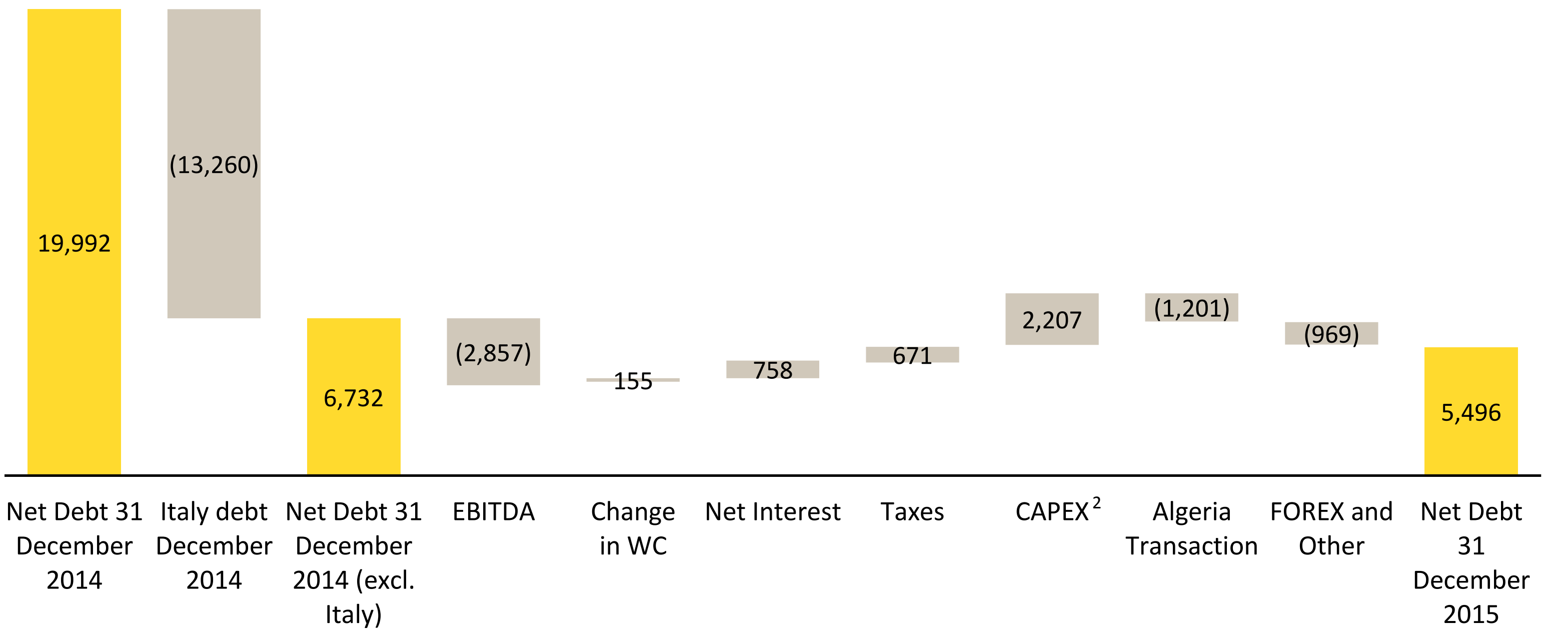
[1] 4Q15 EBITDA negative impact by approximately EUR 12 million related to tower transaction and restructuring costs of approximately EUR 19 million
4Q14 EBITDA negative impact of approximately EUR 50 million related to settlements accounted in 3Q14 but commercially related to 4Q14

2015 income statement

USD million	FY15	FY14	YoY	Organic YoY
Revenue	**9,625**	**13,517**	**(29%)**	**+0.6%**
Service Revenue	9,332	13,231	(29%)	(0.2%)
EBITDA underlying	**3,926**	**5,625**	**(30%)**	**(0.6%)**
EBITDA reported	**2,857**	**5,560**	**(49%)**	**(18.3%)**
D&A, impairments and other	(2,350)	(3,687)	(36%)	
- o/w impairments	*(245)*	*(976)*	*n.m.*	
EBIT	**506**	**1,873**	**(73%)**	
Net financial expenses	(777)	(1,025)	(24%)	
FOREX and Other	(343)	(472)	(27%)	
Profit/(loss) before tax	**(613)**	**375**	**n.m.**	
Tax	(238)	(599)	(60%)	
Loss for the period	**(851)**	**(223)**	**n.m.**	
Profit / (loss) from discontinued operations	263	(679)	n.m.	
Non-controlling interest	(103)	256	n.m.	
Net loss	**(691)**	**(647)**		

- Due to local currencies depreciation of USD 1,662 million and exceptional items of USD 1,069 million in 2015 and USD 65 million in 2014
- Lower impairment charges in 2015 and accelerated depreciation in Pakistan due to network equipment swap
- Significantly lower financial expenses as a result of successful refinancing activities in 2014 and 2015
- Due to a decrease in provision for future withholding taxes on intercompany dividends
- Improving YoY, mainly due to significantly lower financial expenses as a result of the refinancing of WIND Italy and gain from tower transaction
- Sale of 51% in OTA in Algeria

FY15 net debt evolution



Net Debt EBITDA[1]	**2.5x**	**1.2x**	**1.4x**

[1] *In 2014 (excluding Italy) EBITDA was adjusted to exclude USD 65 million of exceptional items and disposals, o/w USD 50 million related to Algeria transaction; in 2015, exceptional items totaled USD 1,069 million and mainly consisted of provisions for investigations (related to SEC/DOJ/OM) of USD 900 million and transformation costs of USD 156 million*

[2] *Capex including licenses*

Vision & World class operations

Jean-Yves Charlier

Chief Executive Officer VimpelCom

London, February 17, 2016

VimpelCom

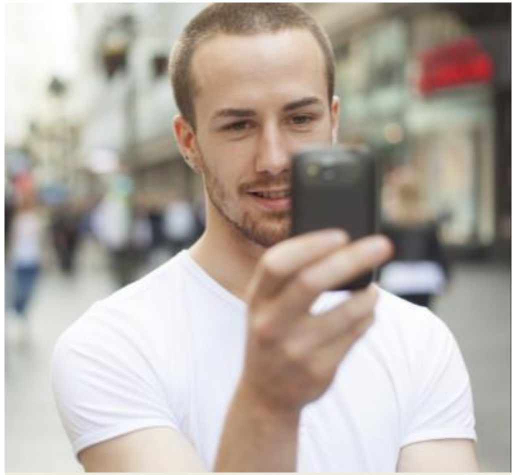
Vision

To be a pioneer, working at the frontier to unlock new opportunities for customers as they navigate the digital world

VimpelCom

World class operations

Creating a superior customer experience



A

Next generation operating model

B

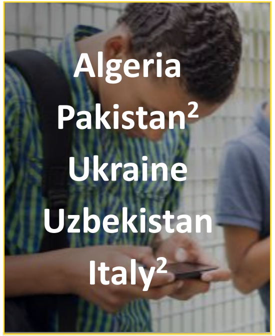
Strengthened management team

C

VimpelCom

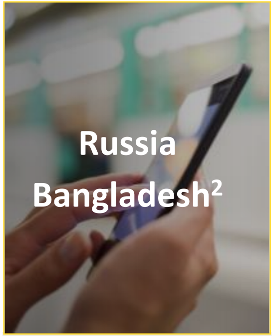
Strong Net Promoter Score and market positions

2015 Mobile customers market position (share)[1]



#1

#2



#3

Developing a #1 or a strong #2 market share position, leveraging on customer experience

[1] *Company estimates based on public information; data as of September 2015, only Bangladesh as per December 2015*
[2] *Market share positions assume Italian and Pakistan transactions closing; Bangladesh assumes the closing of Robi-Airtel transaction*
Note: Georgia, Kyrgyzstan and Tajikistan excluded as no reliable competitive data available

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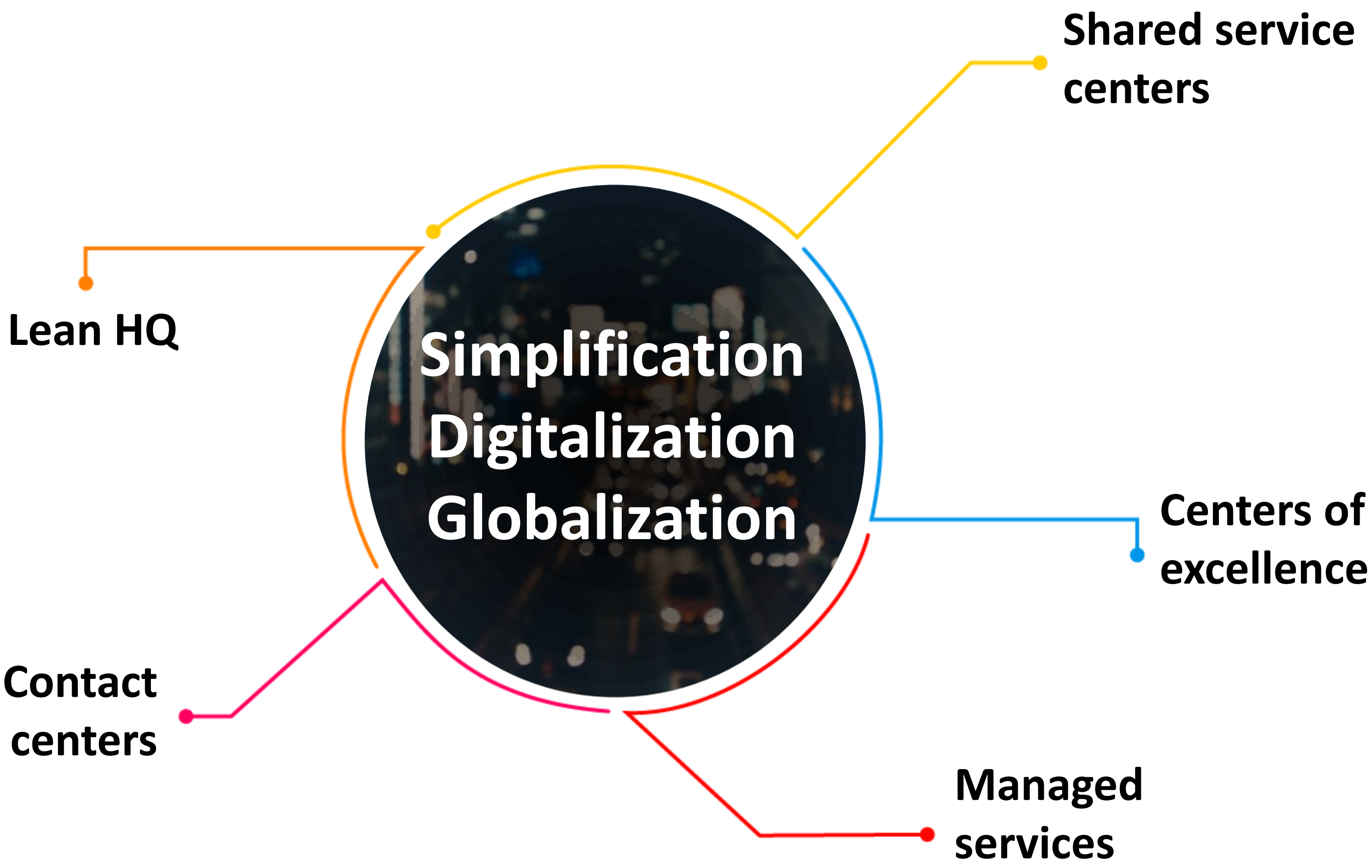
B Next-generation operating model



Strengthened management team

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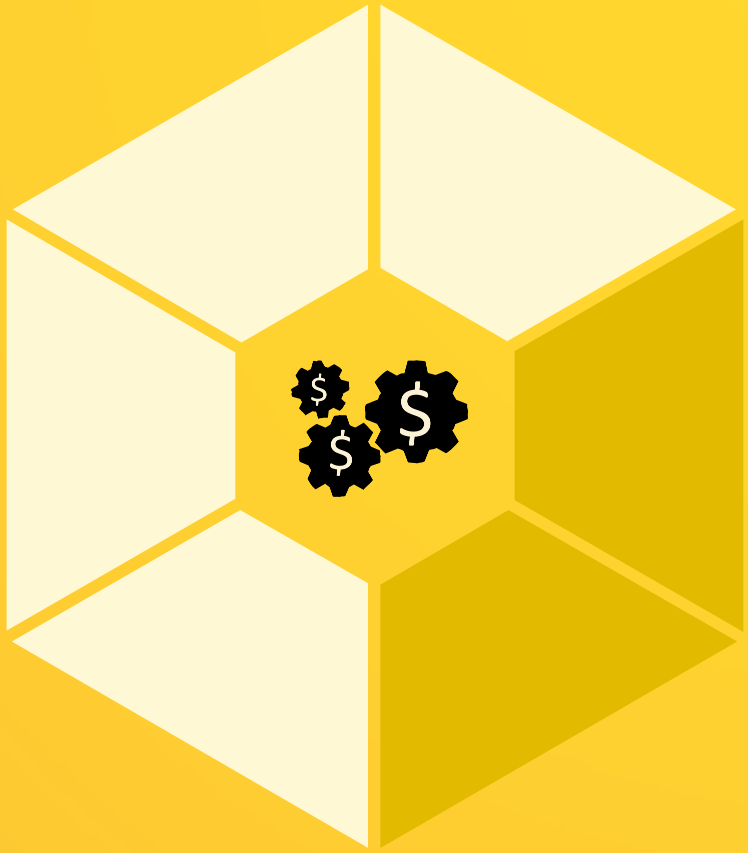
New revenue streams and digital leadership



Christopher Schlaeffer

Chief Digital Officer

London, February 17, 2016

New revenues streams and digital leadership – three core elements

Revenue acceleration

Top line turnaround and service revenue market share growth

Digital engagement model

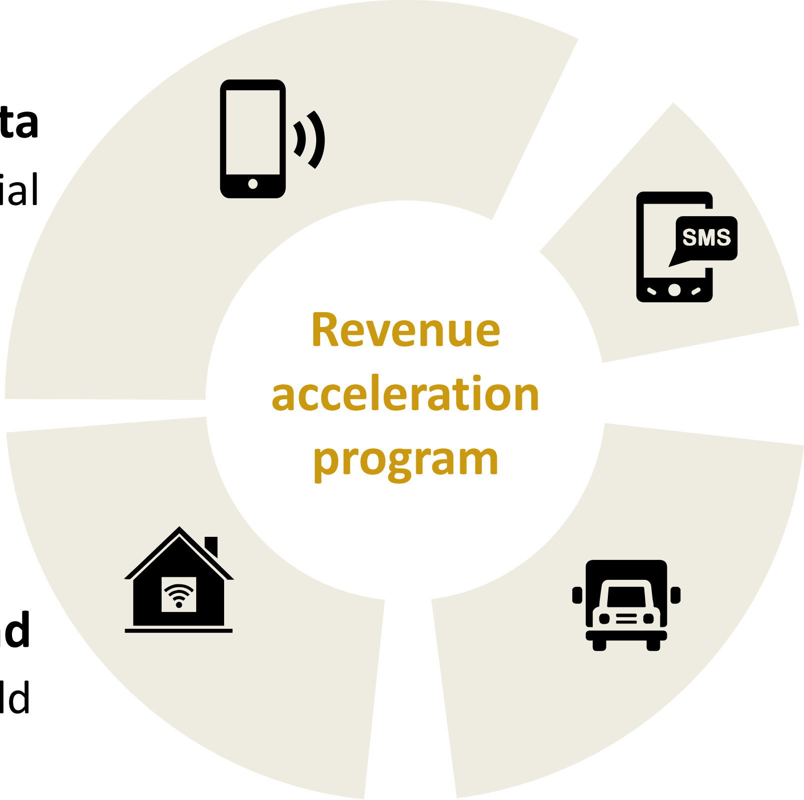
Creating a digital pure play engagement model

Digital products and services

Introducing new digital products and services

VimpelCom

Revenue acceleration program to focus on four core areas



Data

Realize full potential

Voice / messaging

Increase share of wallet

Fixed broadband

Capture the household

B2B

Unlock opportunities

Leading in customer experience

Voice/messaging – increase share of wallet

Grow revenue market share through increasing share of wallet

More granular and dynamic customer segmentation for dynamic relevance	Upgrade pricing and tariff portfolio to increase share of usage and improve quality of customer base	Use of machine learning to derive insights and drive value (upsell, churn reduction)
Customer segmentation	**Smart pricing and portfolio simplification**	**Customer base management**

Advanced Analytics

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Data – realize full potential

Ensure well-balanced device portfolio

Increase distribution presence and control

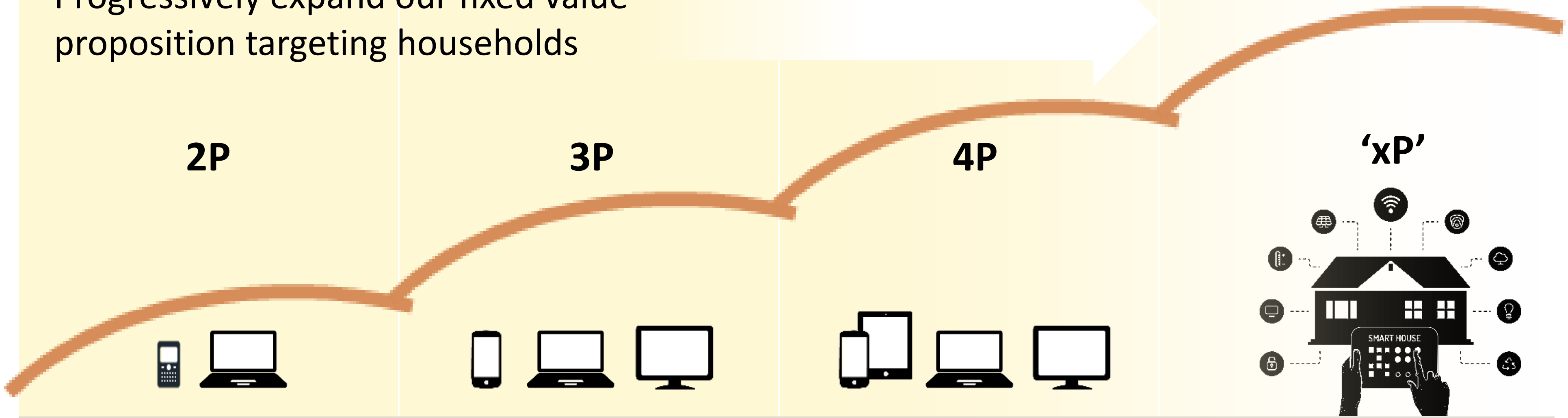
Outperform data revenue market

Stimulate data usage via customer engagement app and OTT

Integrate mobile data in group pricing strategy

Fixed broadband – capture the household

Progressively expand our fixed value proposition targeting households



Smartly expand fixed footprint, leveraging large mobile customer base and existing backbone

B2B – unlock opportunities

Ambition to become one of VimpelCom' major growth engines, delivering recognized global B2B ICT services for Large Enterprise, SME and SoHo

Key goals

- Strengthening our mobile and fixed core businesses
- Extending our offering
- Delivering best quality

Growth levers

- Untapped customer segments
- Mobile churn reduction
- Mobile up-sell and data monetization
- Fixed-mobile convergence
- Value added services

Key enablers

- Dedicated B2B BU and CoE
- Results-Delivery-Office
- NPS tracking
- Tailored GTM and customer seg.
- Unified practices and processes
- Digital transformation

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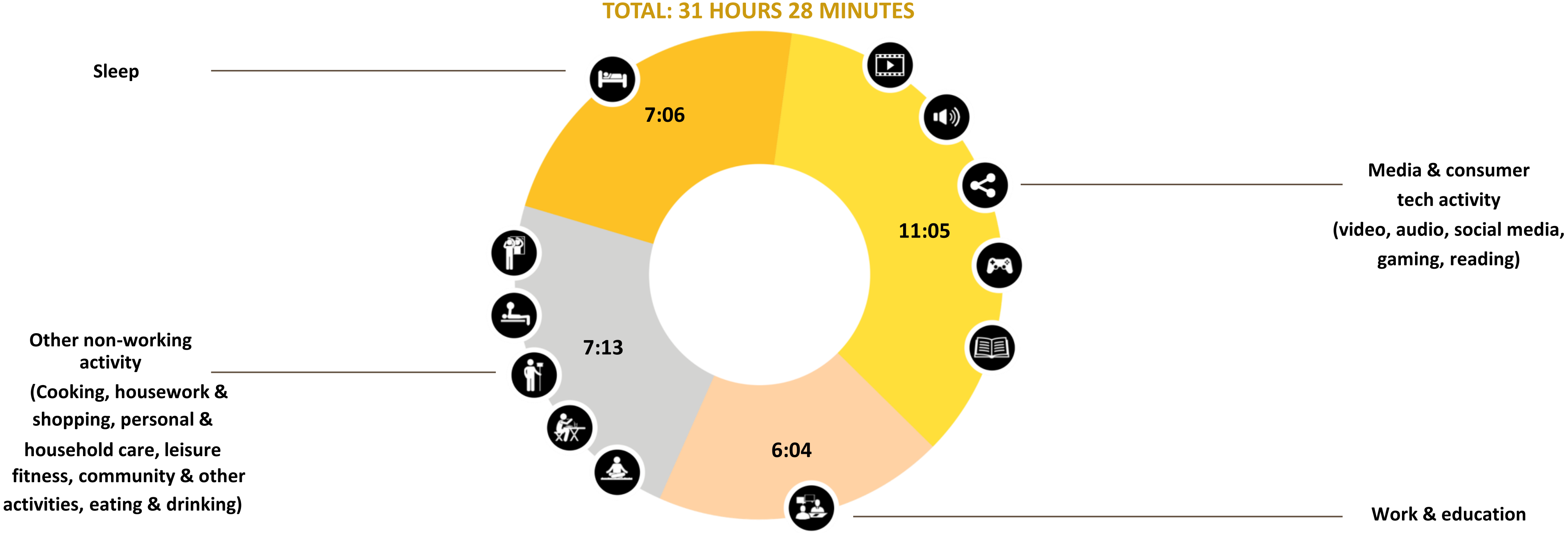
User behavior

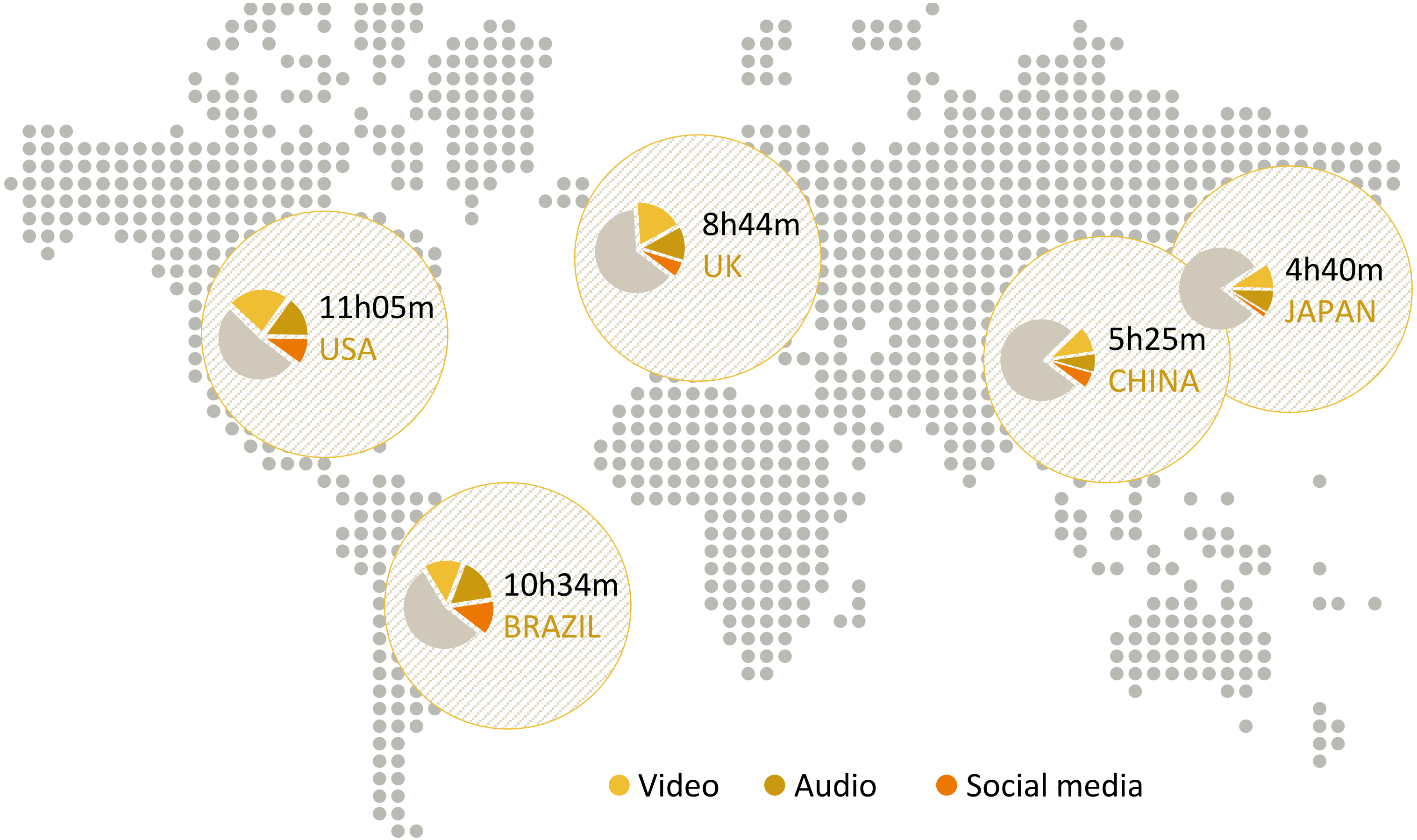
The total tech and media attention up for grabs is enormous: more than half the waking day is spent on tech and media

Average employed adult daily behavior, U.S., 2014, hours: minutes



Sources: Bureau of Labor Statistics, The Telegraph, Edison Research, We Are Social, eMarketer, Nielsen, National Sleep Foundation, Deloitte, SNL Kagan, Sandvine, Ipsos, comScore, Global Web Index, OECD, Activate analysis. Behaviors averaged over 7 days. Related travel time is included within timing reported for daily activities.

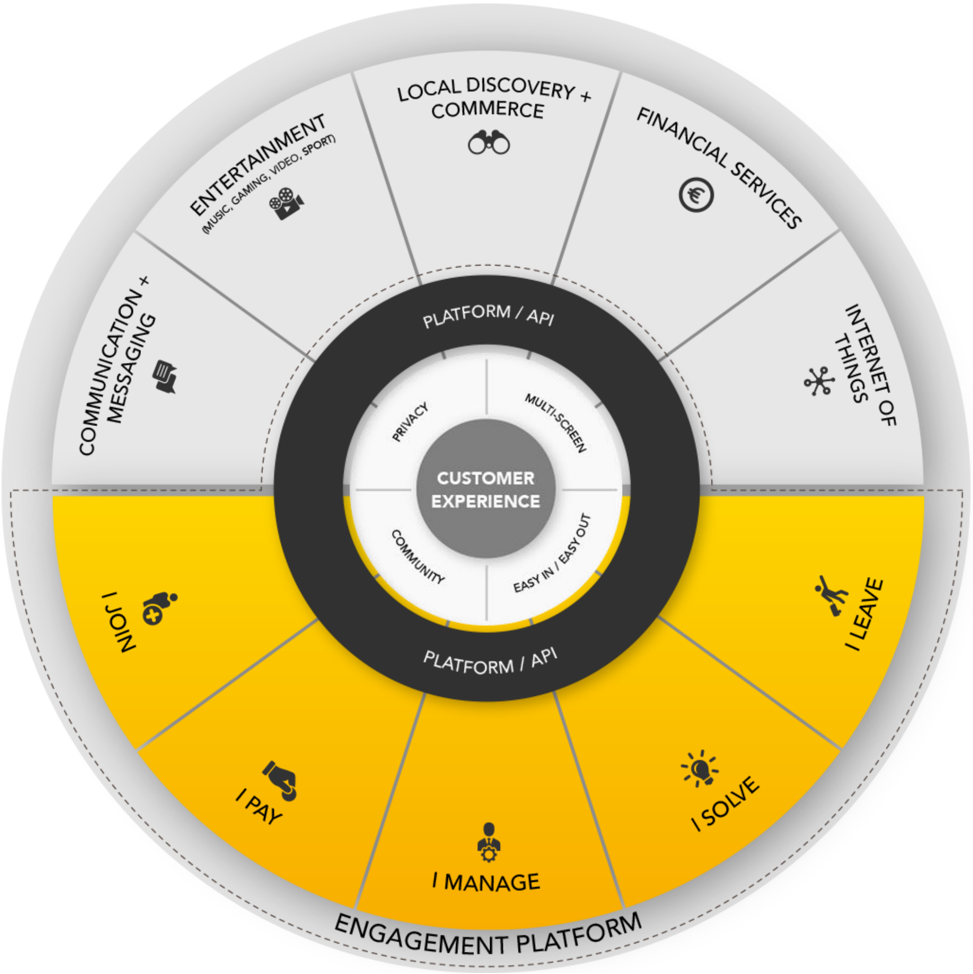
These behaviors dominate people's attention worldwide



Sources: Edison, eMarketer, Nielsen, Sandvine, US Media Consulting, Cisco, Experientia, Media UK, Global Web Index, Secom, Ofcom, GroupM, Activate analysis

Digital Strategy

VimpelCom's digital strategy will be built from the Customer Experience outwards



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Digital engagement model

PLATFORM/API

I JOIN	I PAY	I MANAGE	I SOLVE	I LEAVE

Full digitization of the customer journey allows a drastic simplification of the service model, while offering the convenience of 24/7 digital services

New digital products and services

COMMUNICATION + MESSAGING	ENTERTAINMENT (MUSIC, GAMING, VIDEO, SPORT)	LOCAL DISCOVERY +COMMERCE	FINANCIAL SERVICES	INTERNET OF THINGS

Key principles

- Sizable in the short/ mid-term
- Asset-light
- Effective use of own assets
- Drive customer base stickiness

Capture untapped opportunities in emerging markets

- Lower level of international competition
- Strong need for localization to succeed

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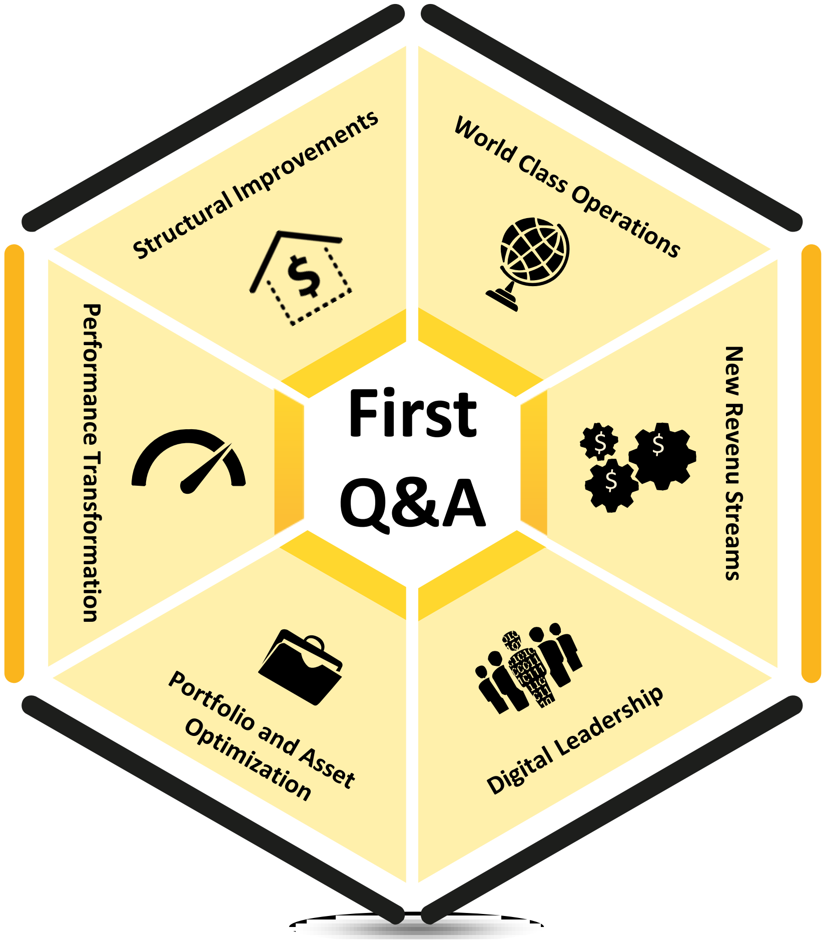
Transforming from a telecom to a digital company

Personalizing the user experience

Enabled by technology


Structural Improvements
World Class Operations
New Revenu Streams
Digital Leadership
Portfolio and Asset Optimization
Performance Transformation
First Q&A

Digital leadership - Portfolio and asset optimization

Yogesh Malik
Chief Technology Officer

London, February 17, 2016

Digital technology leadership

Technology Leadership

Spearhead new architecture principles

Unleash and own critical technologies

Ensure execution

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Thinking differently in the new technology age

Traditional telco pitfalls	Digital company
• Relying on external vendors for innovation • Sticking too much to classic industry standards • Depending on system integrators for IT projects • Not utilizing the data to the full extent	• ‘Own’ critical customer facing technologies • Grow and foster own development capabilities • Unleash the power of data to drive business decisions

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Spearheading new architecture principles

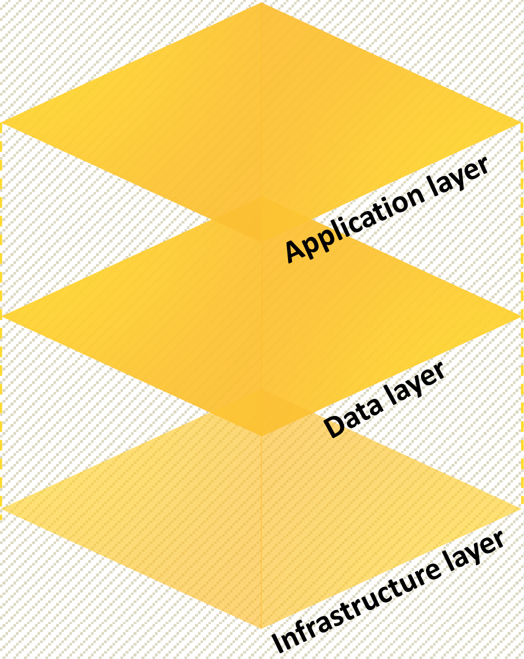
Challenges

Transaction volume

Demand for real-time

Extensive use of data

Our architecture principles



Separate data from the application logic

Make data seamlessly accessible

Fully elastic infrastructure

Launching global initiatives across technology layers

Clean-sheet thinking about customer experience

IT stack enabling new products and services

Foundation for contextually sensitive interactions

Implementing OSS/BSS transformation on a global scale

- Unprecedented scale of transformation across 11 countries
- Designed to bring IT costs substantially down by sun-setting the legacy
- Open interfaces enabling new business partnerships
- Flexibility/configurability to enable new products and services

Moving from local to the next generation IT operating model

	Local operating model	Next generation IT operating model
Group level	IT strategy and integration activities are defined on a high level	• Runs part of IT as a shared service center • Sets architectural priorities and timelines • Runs development and operations out of shared service center

	Local operating model	Next generation IT operating model
OpCo level	Standalone IT systems in OpCo's, relatively little coordination	• OpCo's outsource substantial part of their IT to the Group shared service center on an SLA basis

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Harnessing the power of data and analytics

Utilize our data assets

Customer profiling

Network optimization

Offer personalization

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Ensuring execution by establishing strong technology talent

Facts

- Majority of our regions have appointed new CTO leadership in 2015
- HQ Technology team was completely revamped in 2014 and 2015

Results achieved

- Hands-on, delivery-oriented team culture
- Instant innovation and close-knit cooperation between HQ and operating companies

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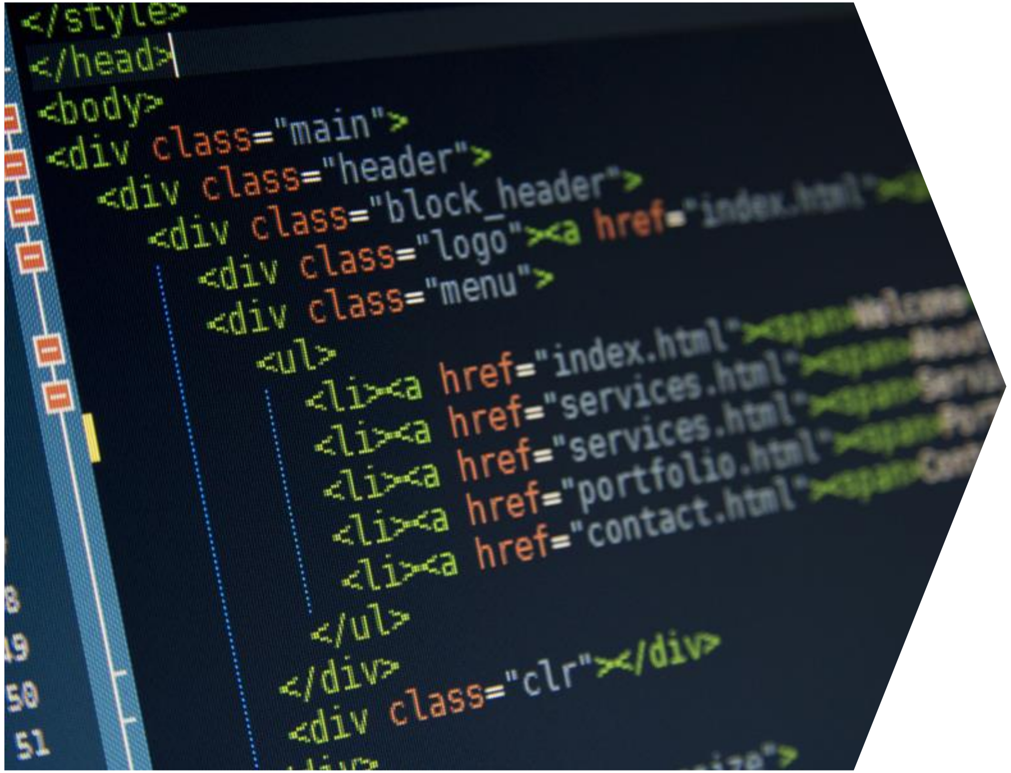
Ensuring execution by ramping up internal capabilities



- Emphasizing front-end application development
- Opening mobile App development centers
- Growing internal data science competence

Portfolio and asset optimization

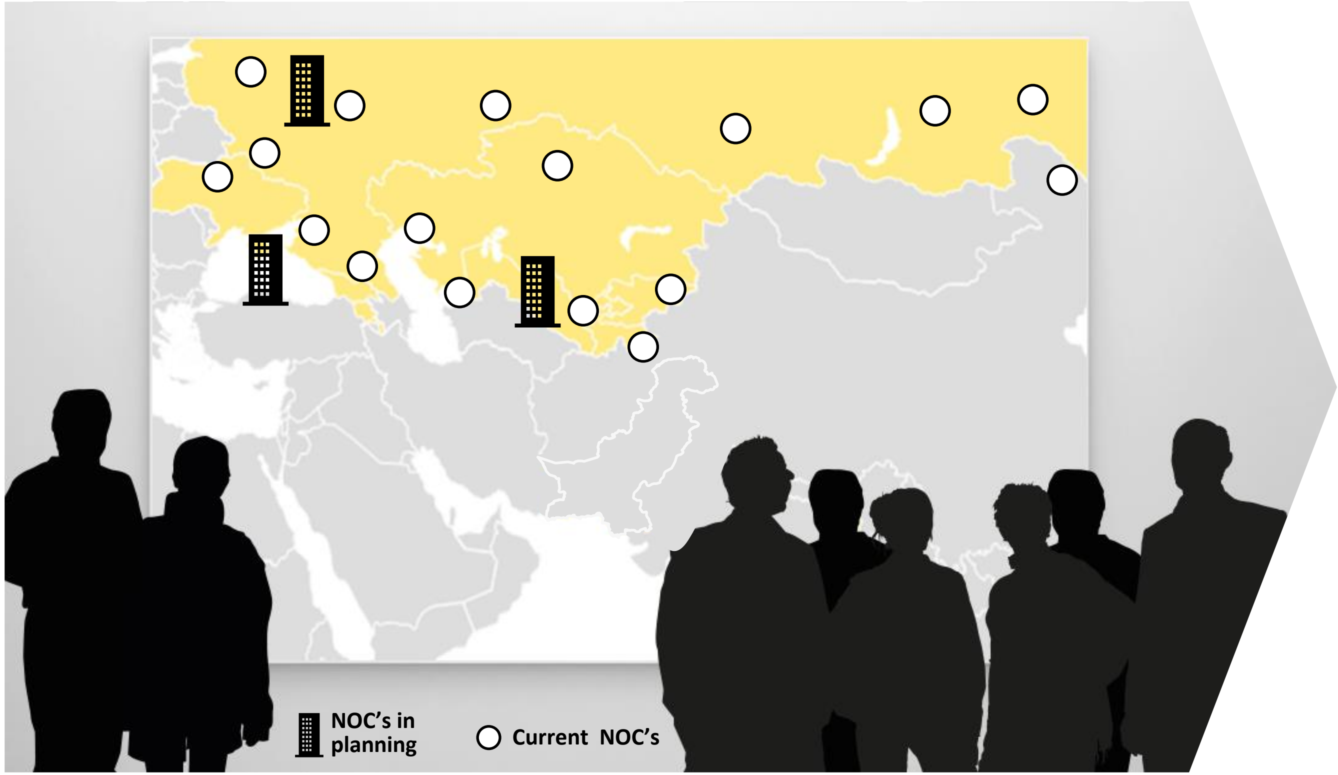
Portfolio and asset optimization

Next-generation operating model

On track with CAPEX efficiency

Structural OPEX reduction

Pioneering the next-generation operating model



- Consolidating Network Operating Centers
- Raising efficiency by establishing service centers/hubs
- Partnering with key vendors toward a lean operating model

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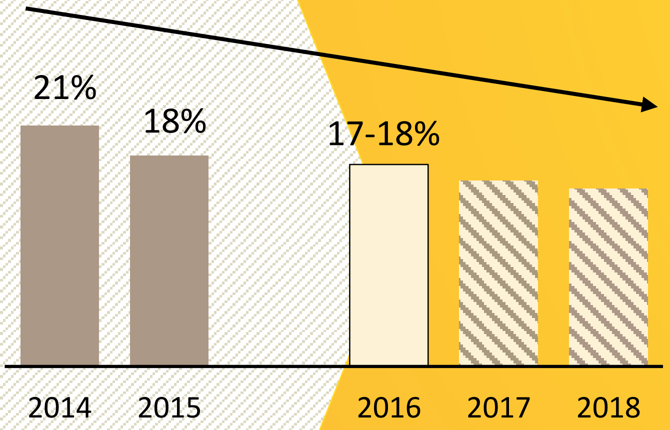
On track with CAPEX efficiency
despite macroeconomic headwinds

What we achieved

- Clear NPV-based CAPEX framework applied across all OpCos
- Improved sourcing and strict spend discipline instilled with key vendors
- Streamline architecture to reduce the number of physical network elements



What we are planning to do

- Maximizing traffic to 4G and minimizing 3G capacity
- Network sharing in key countries
- Full virtualization of core network elements and consolidation of Network Operating Centers

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Ambitious infrastructure sharing plans

- Joint project with MegaFon to cover 10 Russian regions for more than 1,300 4G/LTE base stations
- Joint deal with MTS in Russia to share mobile spectrum in addition to infrastructure sharing agreement
- Network sharing negotiations in several countries

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Taking tower monetization to the next level

- Tower monetization program is being deployed across the footprint, driven by an NPV-based approach
- Several formal processes have already started
- The industrial driver of tower transactions is the asset light strategy

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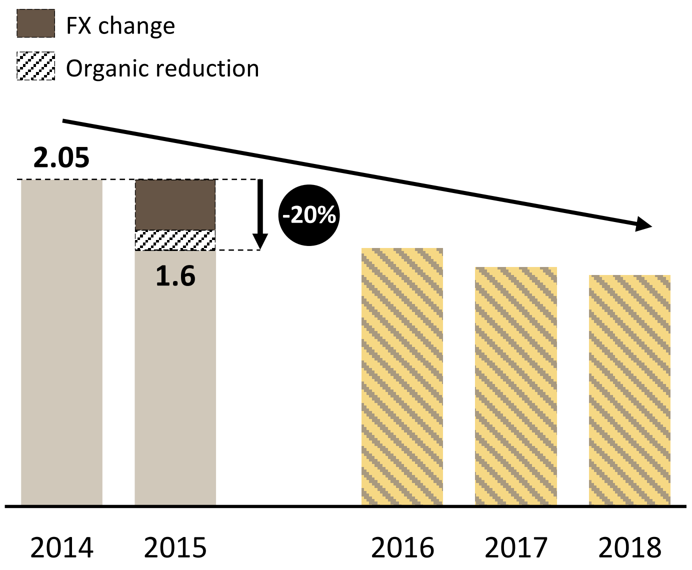
Reducing structural OPEX

in spite of growing traffic and increased number of sites

Examples of levers pulled:

1. Renegotiation of site rental agreements (e.g. in Russia)
2. Energy saving measures (e.g. Pakistan fuel rationalization)
3. Maintenance cost renegotiations (e.g. field maintenance in Algeria)

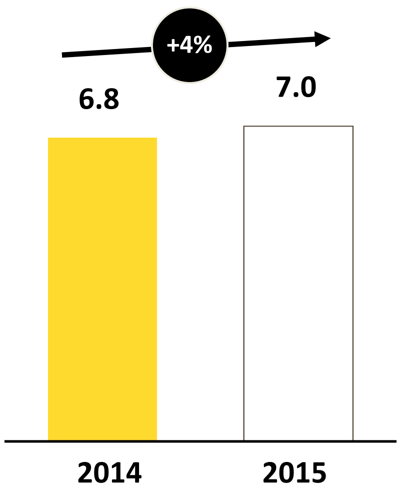
Technical OPEX (USD billion)



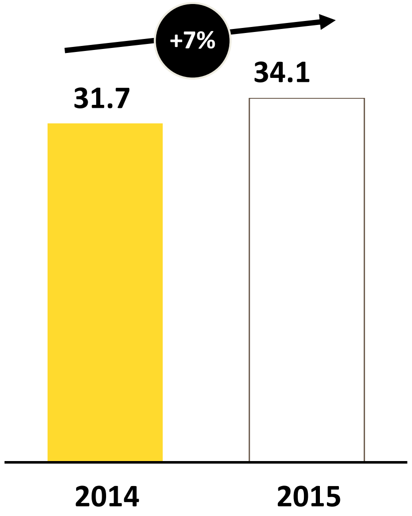
1 Example Russia

keeping site rental costs flat despite heavy inflationary trends

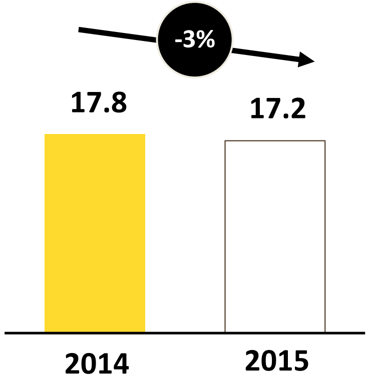
Total site rental cost
(RUB billion)



Total number of sites
(thousand)



Avg. rental cost per site
(RUB thousand)



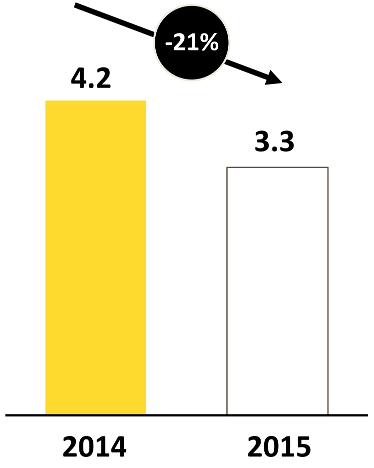
Measures taken:

- Renegotiation of agreements
- New motivation program
- Tighter control over end-to-end site acquisition process

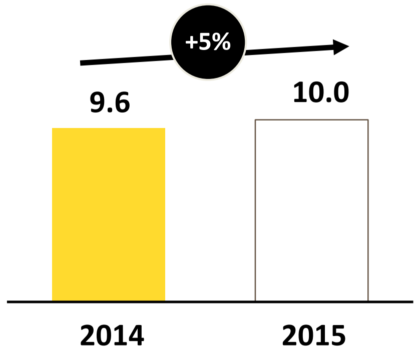
2 Example Pakistan

reducing generator fuel costs despite increased number of sites

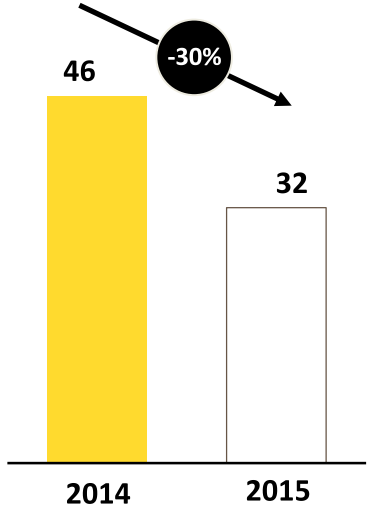
Fuel and refueling costs
(PKR billion)



Total number of sites
(thousand)



Reduced fuel consumption
(million liters)



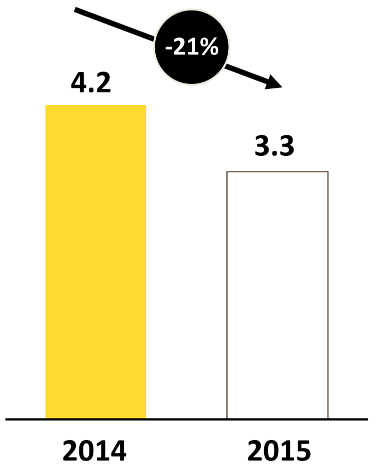
Measures taken

- Modernized equipment
- Lower power consumption
- Tighter fuel management

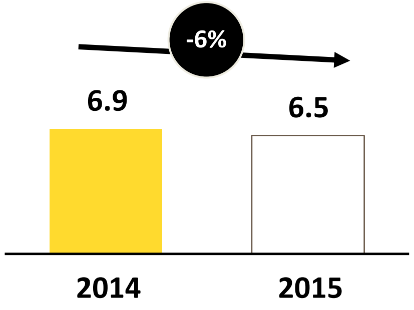
Example Algeria

reducing maintenance costs

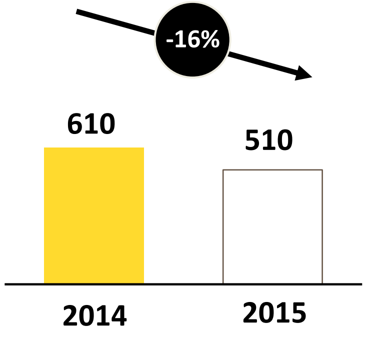
Maintenance costs (DZD billion)



Total number of sites (thousand)



Avg. maintenance cost per site (DZD thousand)



Measures taken

- 2G site dismantling
- Maintenance in-sourcing
- Leased line rationalization

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Performance transformation

Alexander Matuschka

Chief Performance Officer

London, February 17, 2016

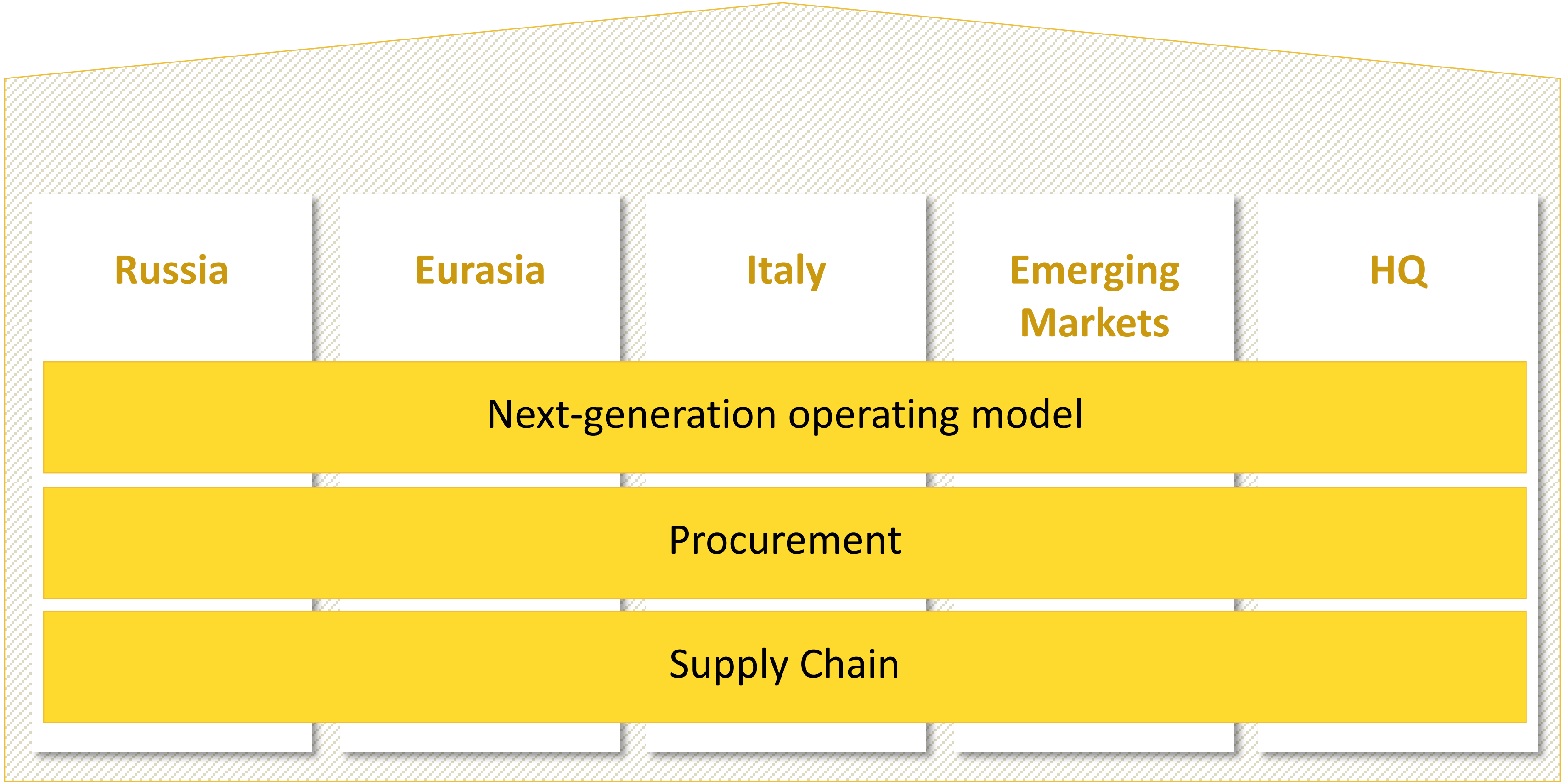
Performance transformation aspirations

Create the next-generation operating model

- Save and reinvest
- Drive 750 million cash improvement
- Create local champions and local ownership

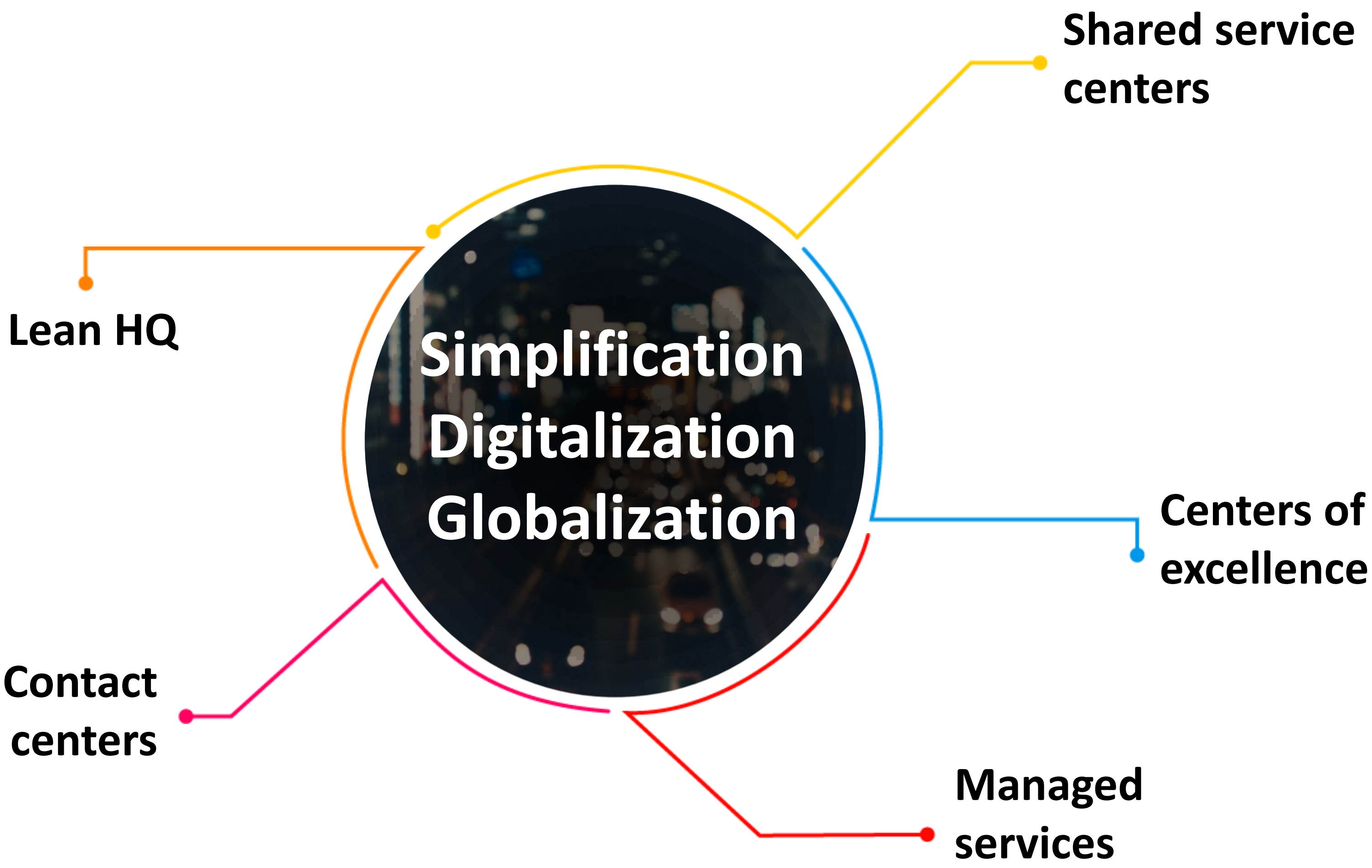
To reinvent VimpelCom with substantially lower cost base

Performance transformation – three core elements



Next-generation operating model

Next-generation operating model



Next-generation operating model

From	To

14 companies with separate operating models

Amsterdam HQ administrative oversight

Patchwork of local competencies & skills

Next-generation operating model

Lean HQ with strategy focus

Global competencies and skills

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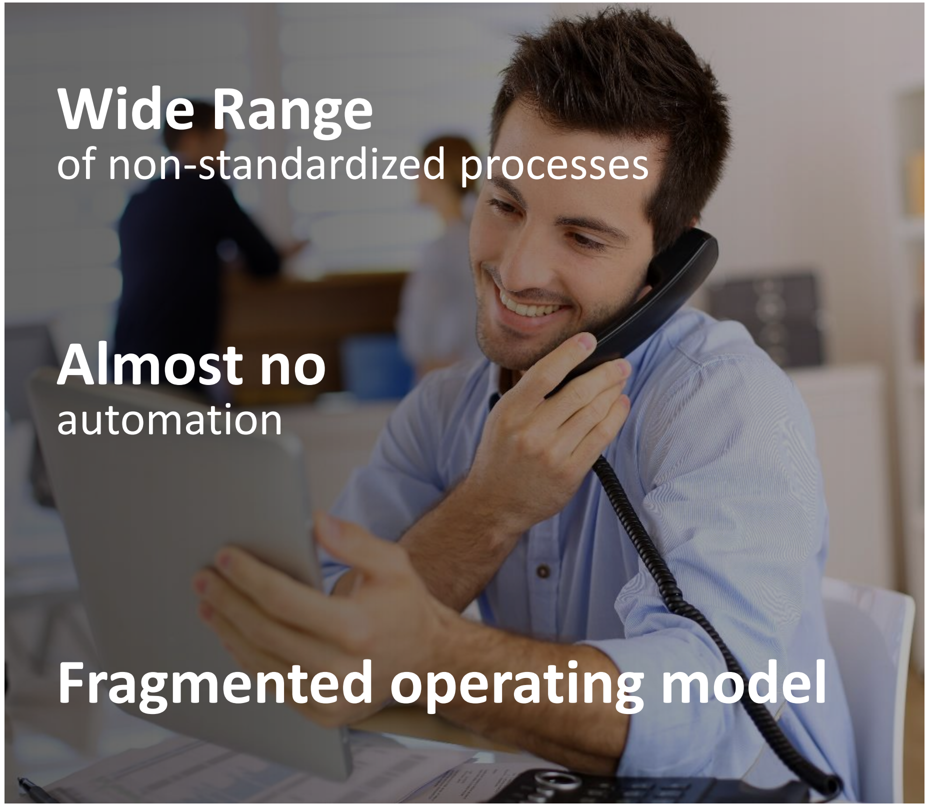
Shared service centers

From | **To**



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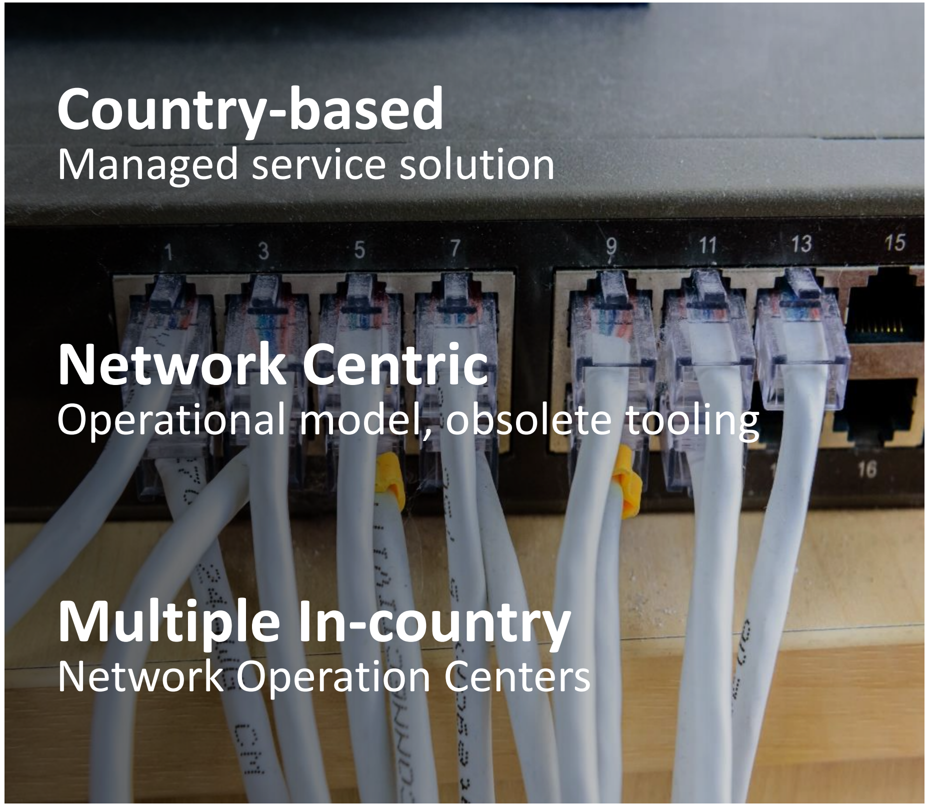
Centers of excellence

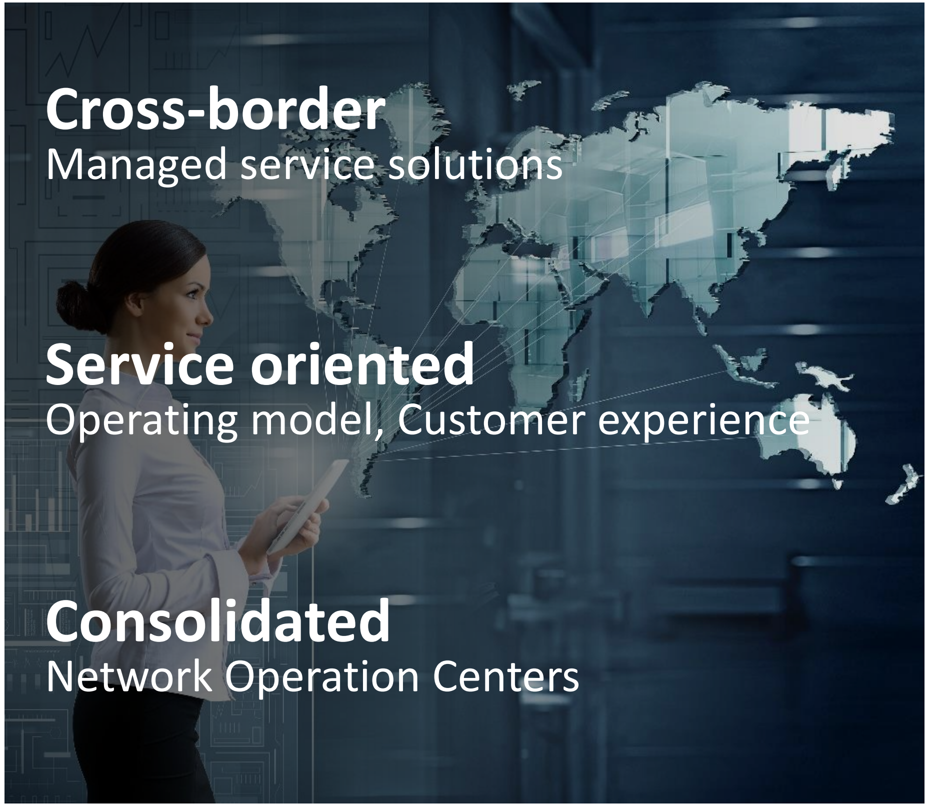
From | **To**

VimpelCom

Managed services

From | **To**





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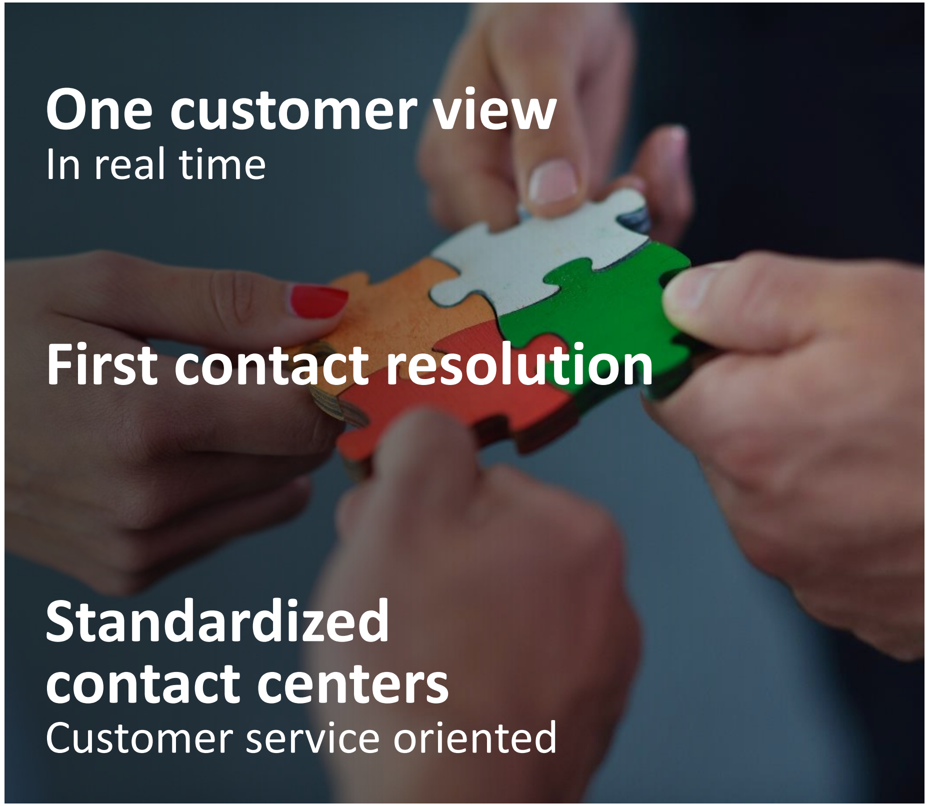
Contact centers

From

To



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Procurement

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Procurement

From	To

Local
Vendor strategy

Vendors in control
Through localised decisions

Traditional approach
Close to incumbents

Global
Vendor agreements

VimpelCom in control

Innovative approach
We expect disruptive behaviour

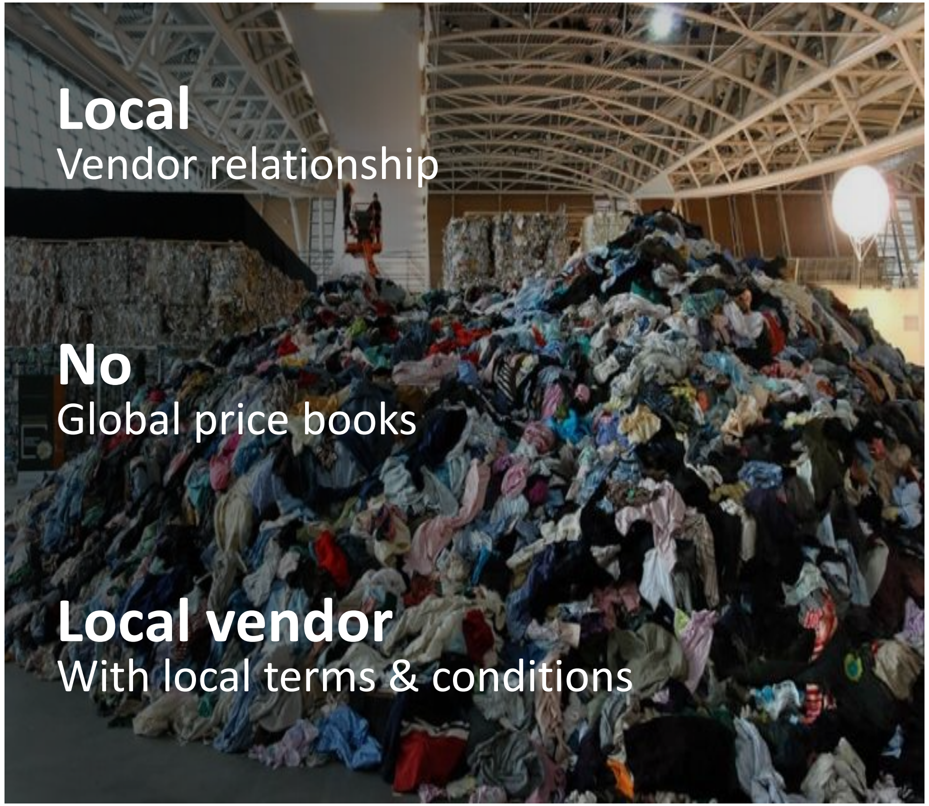
VimpelCom

Procurement

From | **To**

Procurement

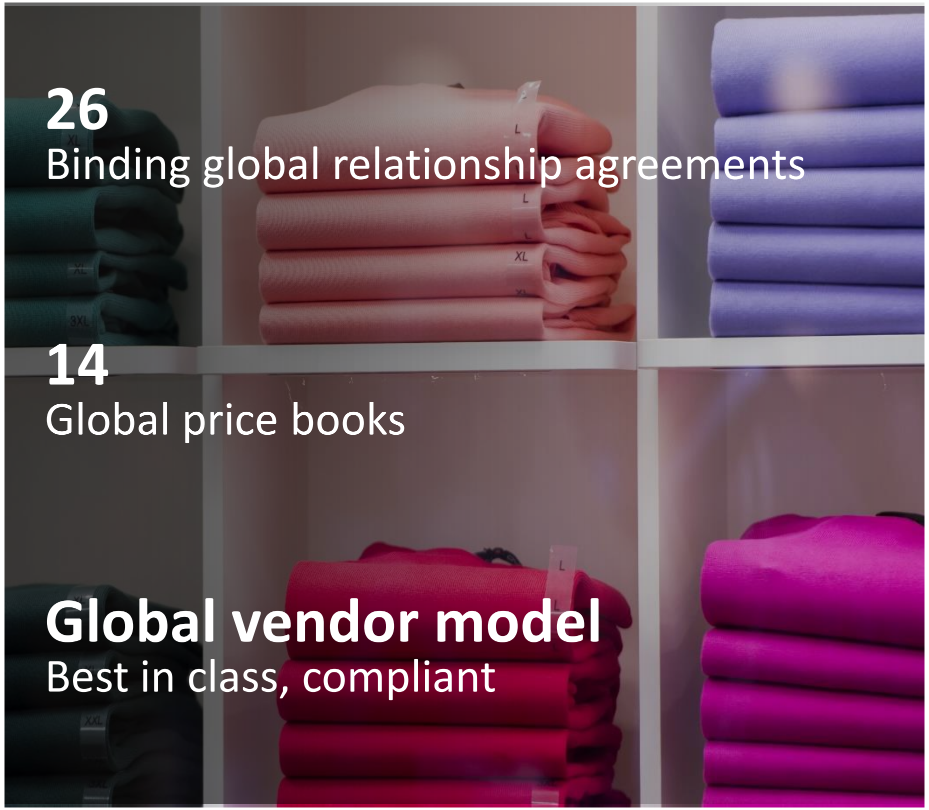
From	To



Local
Vendor relationship

No
Global price books

Local vendor
With local terms & conditions



26
Binding global relationship agreements

14
Global price books

Global vendor model
Best in class, compliant

Supply chain

Supply chain

From	To
Budget-driven Ordering	**Demand-driven** ordering
Manual Planning	**System-based** Planning with harmonized master data
40% Supplier deliveries on time	**95%** Supplier deliveries on time

Supply chain

From	To
>150 warehouses	<50 warehouses
>180 days stock	<90 days stock
3 months updated Inventory level	**Real time** Inventory data

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One project management

Stringent governance

One project management tool

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Implemented so far

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One big data mining tool

Total no. of internal HC
Ramp-downs
Ramp-ups
No. of layers
Average job grade
# of micro-teams
Average span of control
Average personnel costs/ internal HC
Total # of external HC
Ramp-downs
Ramp-ups
Profile of contract duration
Average daily rate
Customer care cost base
Network maintenance cost base
IT support cost base
Span of control

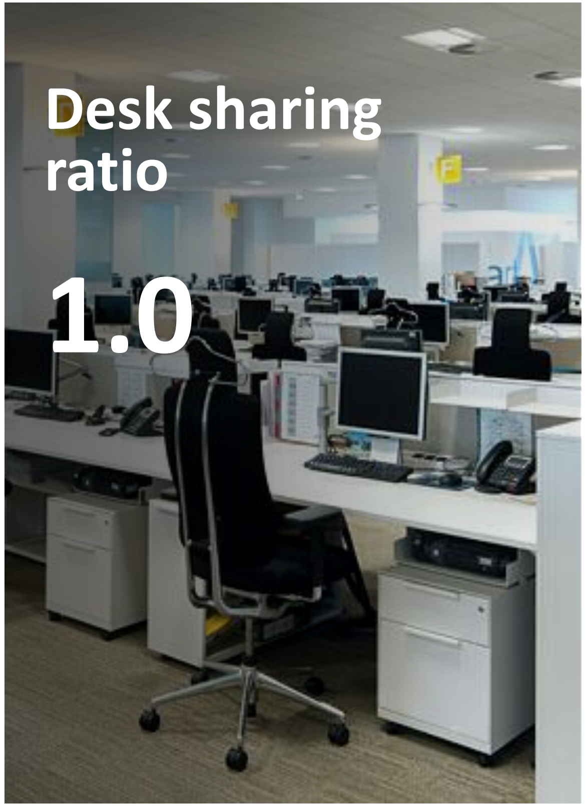
Sales cost base
Network maintenance costs (mobile)
Network maintenance costs (fixed)
# of subcontractors (IT)
#of subcontractors (NW maintenance)
Total spend on subcontractors
Outsourced call center costs (fixed)/ 3m active subscriber
Outsourced call center costs (mobile)/ 3m active subscriber
Claims collected value / Network Maintenance costs
Claims collected value / IT Maintenance costs
IT maintenance costs / 3 months active subscribers
Total cost base
HC-driven costs

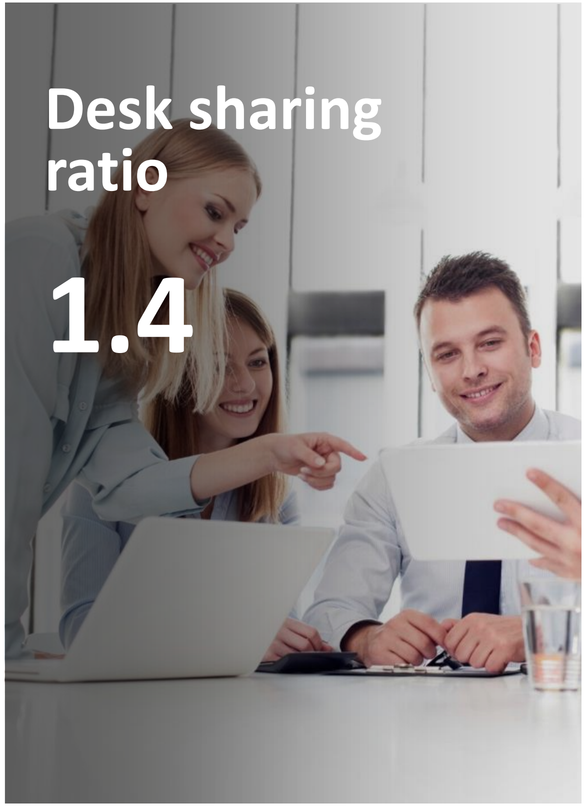
Non-HC-driven costs
HC driven costs per internal HC
Employee benefit per internal HC
Employee training costs per internal HC
Travel costs per internal HC
Fleet costs per internal HC
Cost of office supplies/ HC
Cost of prof. services & consulting
Cost of recruiting
Cost of other G&A
Internat./ domestic flight cost
Internat./ domestic flight no.
Booking in advance
Triggered travel
# of hotel nights
# of flexible/ restricted tickets
# of bus./eco./1st class tickets

Hotel category ratio
# of miles
Red Book Opex HC/ non-HC driven
Red Book Opex intensity HC/ non-HC driven
Total # of sites
Space
Actual office utilization
Desk sharing ratio
m2 per employee
m2 per per desk
Call center peak utilization
m2 per call center desk
Average rent per m2
Average FM + utilities cost/ per m2
Real Estate Opex intensity
Total Real Estate Opex

Structural KPI methodology

From | To





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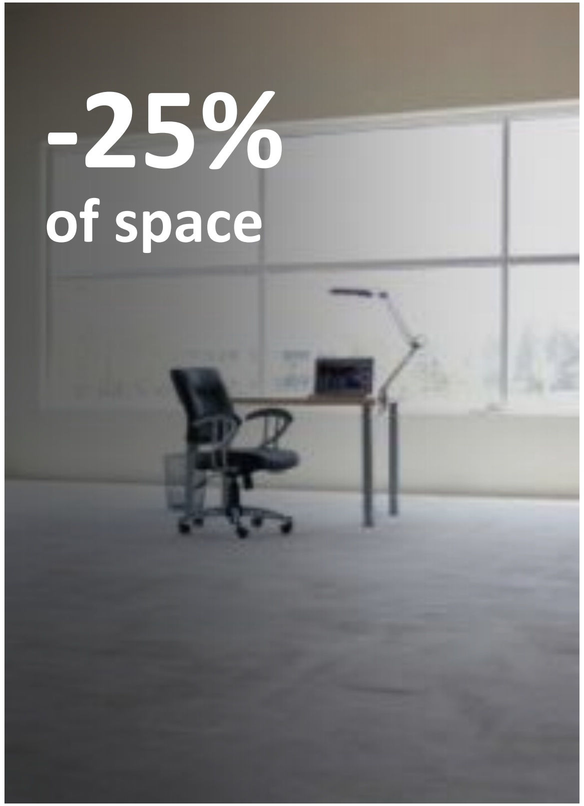

Structural KPI methodology

From

To

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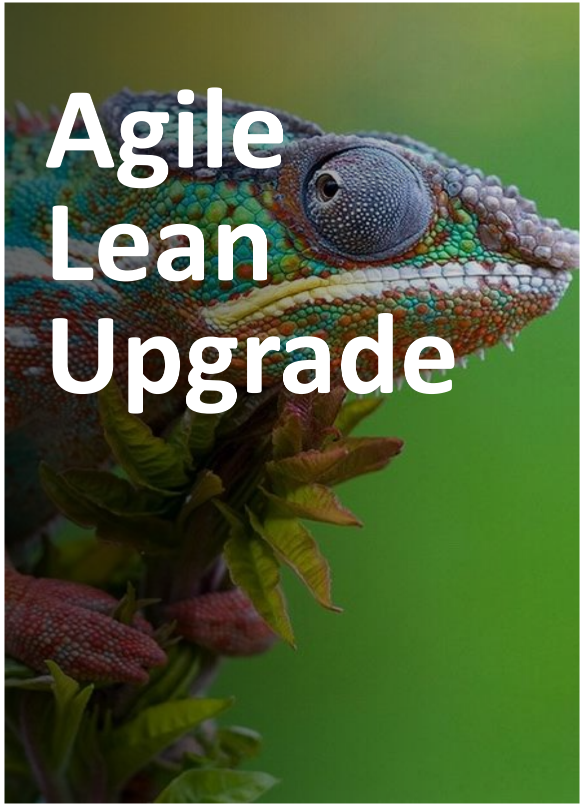
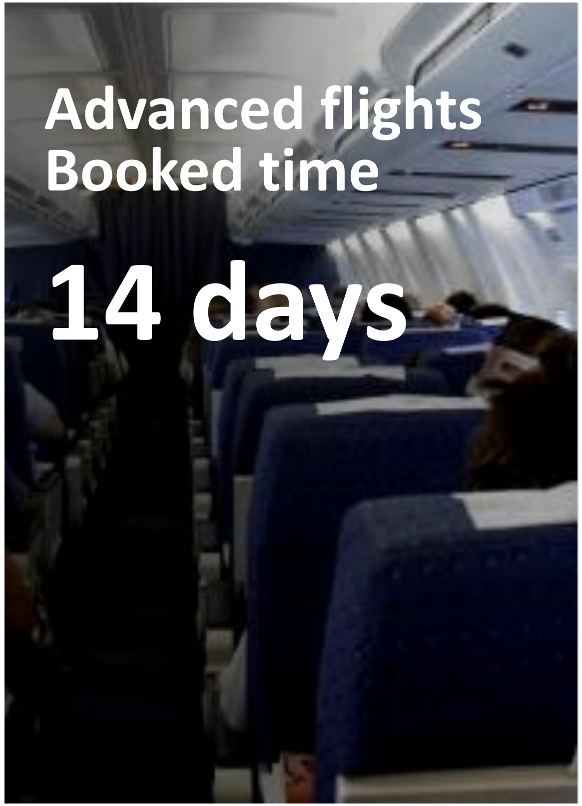


New mode of operation

From

To



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Structural improvements & targets 2016

Andrew Davies

Chief Financial Officer

London, February 17, 2016

Group delivery on structural improvements (1/2)

Deleverage – Key events

- **January 2015**: Algeria transaction
- **March 2015**: Italy tower sale
- **August 2015**: Italy JV with subsequent deconsolidation of WIND

Capital structure optimization

- **April 2014**: Italy refinancing 1st round
- **May 2014**: Bond issue in Bangladesh
- **July 2014**: Italy refinancing 2nd round
- **March 2015**: Tender offer on USD bonds; RUB bonds put options exercise; Italy refinancing 3rd round
- **October 2015**: RUB bond issue in Russia
- **November 2015**: RUB bond secondary offering
- **December 2015**: New Sberbank credit facility; CDB - RMB facility

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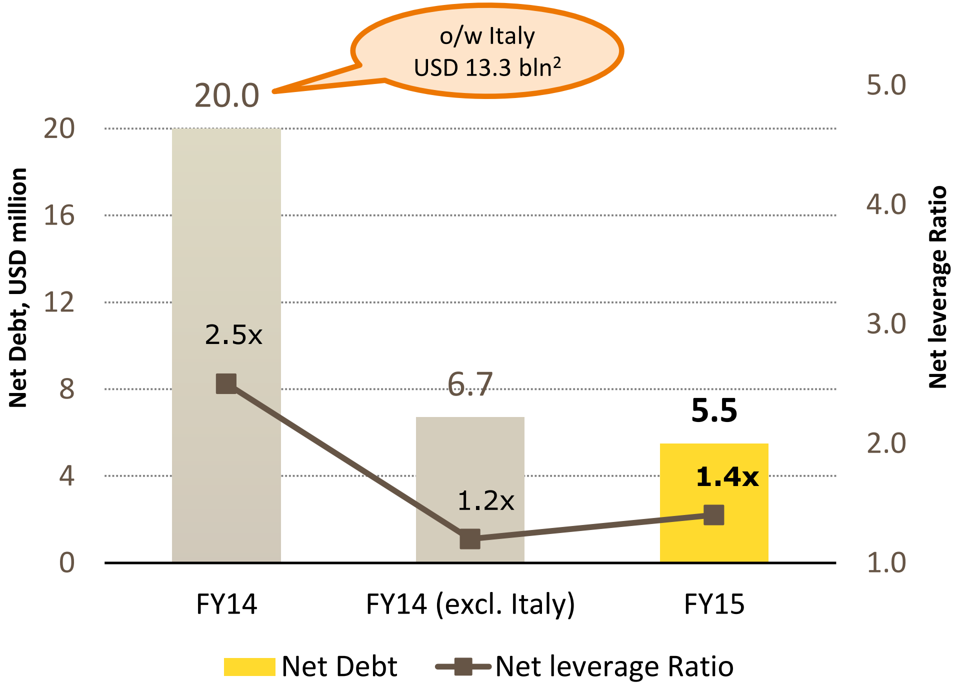
Group delivery on structural improvements (2/2)

- In 2014, USD 21 billion in total financing activities at group level were completed
- In 2015, we managed to further improve the capital structure profile, reducing gross debt and completing USD 5 billion in financing activities
- Leverage ratio is currently at 1.4x[1]

Net Debt and Net Leverage Ratio[1]

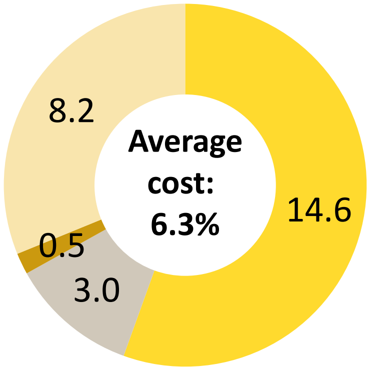


[1] *Net leverage ratio: Consolidated Net Debt/Underlying EBITDA*
[2] *Excluding effect of cross-currency swaps*

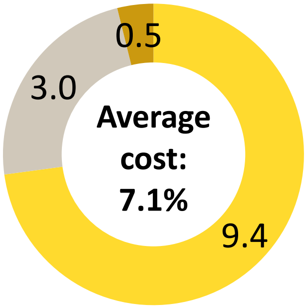
Progress on debt optimization

Group gross debt (currency breakdown and evolution)

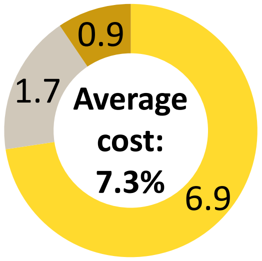
2014
(USD 26.4 billion)



2014 excl. Italy, pro-forma
(USD 12.9 billion)



2015
(USD 9.5 billion)



USD RUB Others EUR

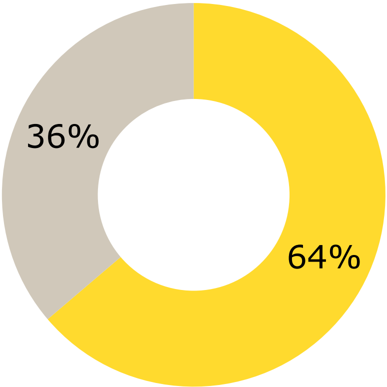
Average interest cost	***~USD 0.9 bln***	***~USD 0.7 bln***

Run-rate interest savings ~USD 200 million

VimpelCom

Liquidity analysis

Group Cash breakdown by currency
(December 31, 2015)



Unused RCF headroom at the end 4Q15:

VimpelCom - syndicate	USD 1.8 billion
PJSC VimpelCom - Sberbank	RUB 15 billion (USD 0.2 billion)

Unused VF/CF headroom at the end 4Q15:

VimpelCom - CDB/BoC	USD 1.0 billion
VimpelCom - CDB	RMB 0.7 billion (USD 0.1 billion)
Algeria - syndicate	DZD 32 billion (USD 0.3 billion)
Pakistan - syndicate	PKR 20 billion (USD 0.2 billion)
PJSC VimpelCom - Sberbank	RUB 30 billion (USD 0.4 billion)

Solid cash position, largely held in USD, and headroom of USD 4 billion

VimpelCom

Capital structure and capital allocation priorities

- Closing of Italy transaction
- GTH refinancing
- Improving cash upstream
- Optimization of local debt structures

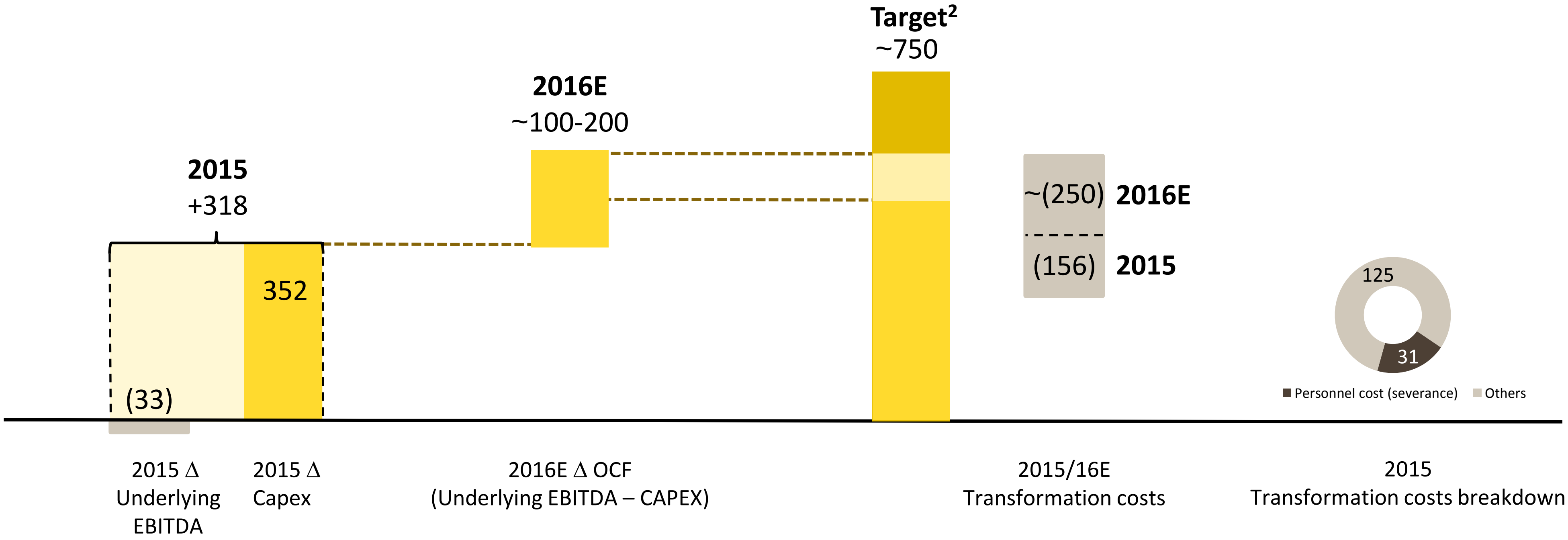
- Global capital allocation model
- Asset light strategy
- Create flexibility for reinvesting

VimpelCom

Expect to deliver >50% of USD 750 mln p.a. cash flow target in 2016

2015-2016E Operating Cash flow improvement[1]

(USD, million)



[1] 2015 at constant 2014 currency; 2016E in line with guidance

[2] 2019E run-rate figure

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2016 guidance

	Targets 2015		Actual 2015		Targets
Service Revenue[1]	Flat to low single digit decline YoY	✓	(0.2%)	→	**Flat to low single digit growth YoY**
EBITDA Margin[1]	Flat to minus one p.p. YoY	✓	40.8%	→	**Flat to +1 p.p.**
CAPEX / Revenue[1]	18-20%	✓	18.2%	→	**17-18%**
OCF margin[1] (EBITDA-CAPEX)/Revenue	*Not used as a target in 2015*		22.6%	→	**Flat to +2 p.p.**
Leverage[2]	~1.6x	✓	1.4x	→	**~2x**

[1] *All targets except leverage calculated at constant currency. Targets for 2016 assume no major regulatory changes, no change to the asset portfolio and no major macro-economic changes; targets are also adjusted for Italy classified as asset held for sale; EBITDA Margin excludes exceptional charges such as impairment charges, restructuring charges, litigation and settlements, impact of M&A transactions and related accounting and other one-off charges and transformation costs*

[2] *Leverage target 2016 on assumed FX for 2016 (all currencies, e.g. Ruble/Dollar of 70). See attachment for table with currency assumptions 2016; leverage target 2016 assumes closing of JV Italy as well as JV Pakistan*

VimpelCom


Structural Improvements
World Class Operations
New Revenu Streams
Digital Leadership
Portfolio and Asset Optimization
Performance Transformation
Final Q&A

VimpelCom

Appendix

Reconciliation of EBITDA from reported to underlying

USD mln, unaudited	4Q15	4Q14	FY15	FY14
EBITDA	**793**	**1,074**	**2,857**	**5,560**
Transformation costs, of which	**112**		**156**	
severance (restructuring) costs	31		31	
other transformation costs at OpCo level	16		16	
other transformation costs at HQ level	65		109	
Expenses related to Uzbekistan investigation, of which	**11**		**927**	
provision			900	
legal costs	11		27	
Other exceptional items in OpCos, of which	**(18)**	**27**	**(14)**	**38**
Russia site rent capitalization	(30)		(30)	
Kazakhstan technical maintenance from CAPEX to OPEX		13		24
other	12	14	17	14
Settlement related to the 51% sale in Algeria		**50**		**50**
Deconsolidation of the CAR and Burundi in October 2014				**(23)**
Total exceptional items	**105**	**77**	**1,069**	**65**
EBITDA underlying	**897**	**1,151**	**3,926**	**5,625**

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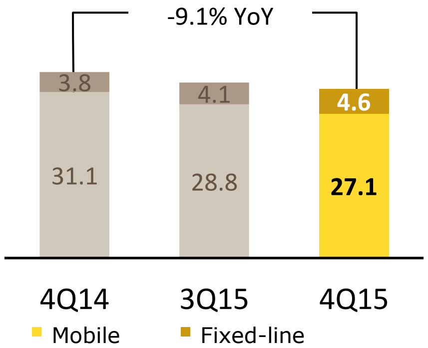
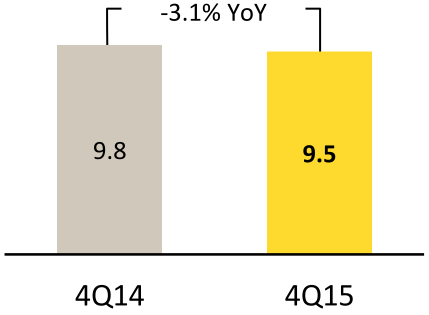
Kazakhstan: heightened competitive pressure

KZT BILLION, UNLESS STATED OTHERWISE

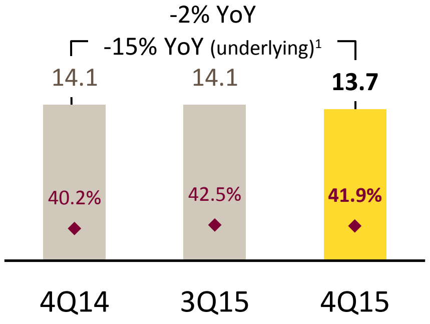
Service revenue



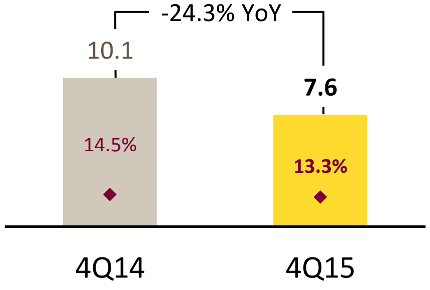
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



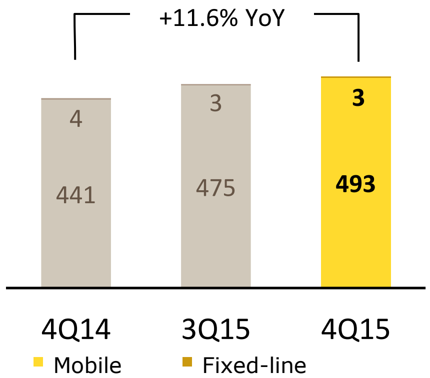
- Mobile service revenue decreased by 6% YoY, excluding MTR reductions
- Fixed-line service revenue growth of 22% YoY
- Beeline continues to gain EBITDA market share, despite intensifying competition
- Competitive environment expected to remain challenging throughout 2016

[1] 4Q15 EBITDA negatively impacted by a one-off of KZT 0.2 billion related to transformation costs
4Q14 EBITDA negatively impacted by a one-off of KZT 2.4 billion related to adjustment of technical maintenance of software from CAPEX to OPEX

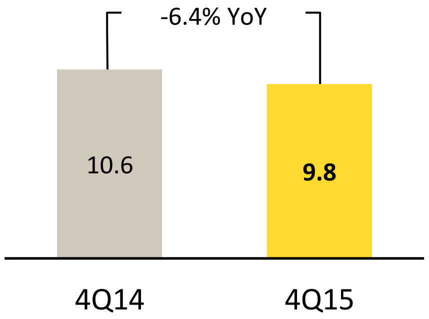
Uzbekistan: good growth in mobile data

UZS BILLION, UNLESS STATED OTHERWISE

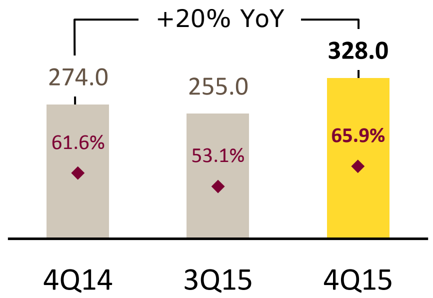
Service revenue



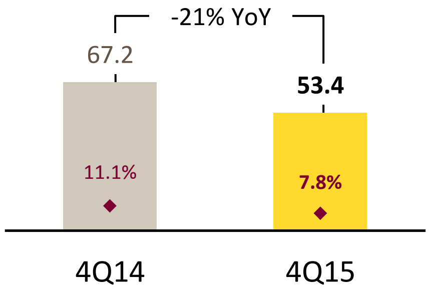
Mobile customers (million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue

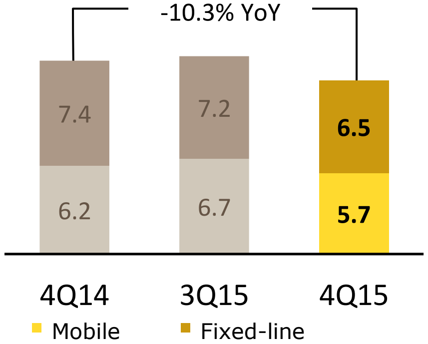


- Strong growth in mobile service revenue of 12% YoY driven by mobile data and VAS revenue
- Mobile data ARPU increased 30% YoY
- Rational competition from third and fourth entrants during the quarter
- Competition expected to increase in 2016, while new government tax measures related to customers and profit will substantially negatively impact EBITDA margin

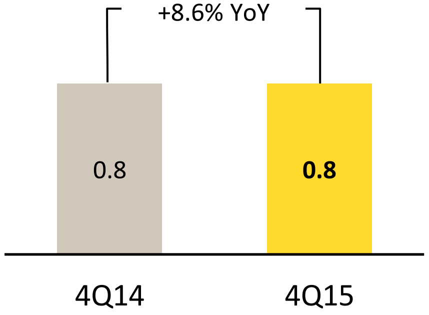
Armenia: strengthened market position

AMD BILLION, UNLESS STATED OTHERWISE

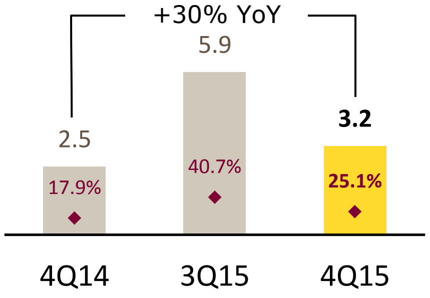
Service revenue



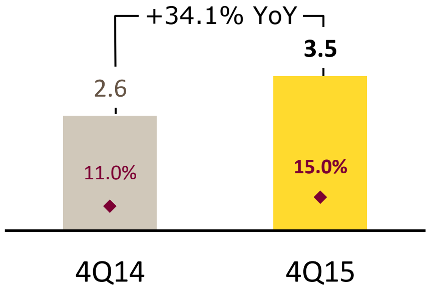
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



- Growing customer and revenue market share in a declining market
- Mobile data revenue growth of 16% YoY driven by promotion of data bundles

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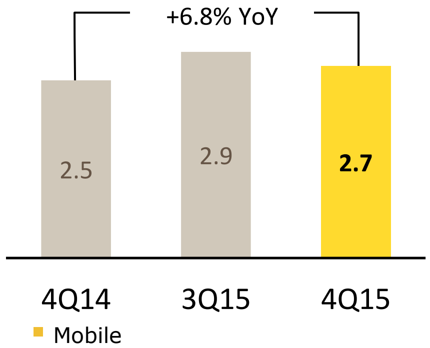
Kyrgyzstan: remained clear market leader

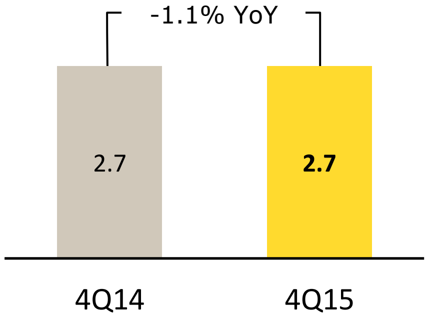
KGS BILLION, UNLESS STATED OTHERWISE

Service revenue

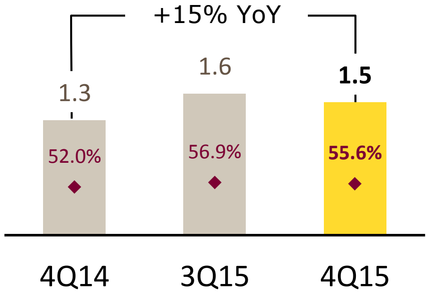


Mobile customers

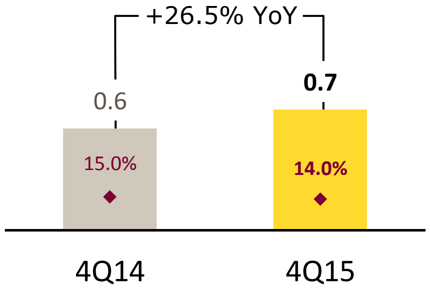
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



- Remained clear market leader with leading NPS position due to high quality network and attractive value proposition
- Strong mobile data revenue growth of 19% YoY
- Customer base negatively impacted by increased migration due to Kyrgyzstan's entry into the Eurasian Customs Union (EACU)
- EBITDA margin up 4 pp YoY supported by network cost optimization

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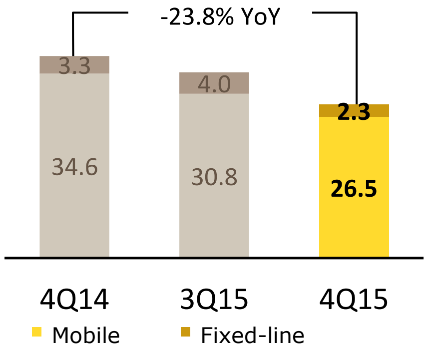
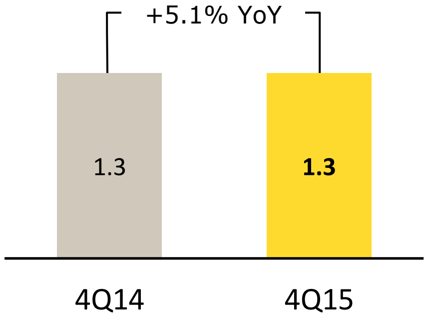
Georgia: continued customer improvement

GEL MILLION, UNLESS STATED OTHERWISE

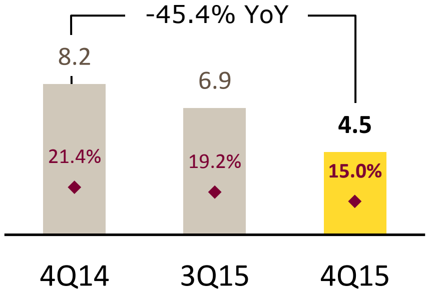
Service revenue



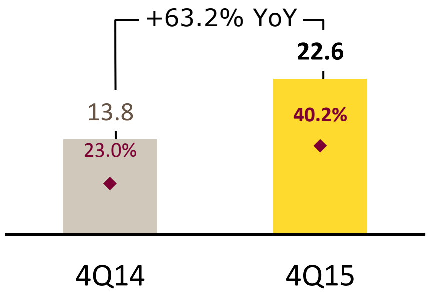
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



- Customer growth of 5% YoY due to attractive value proposition and improving churn
- NPS continues to improve
- Service revenue pressure mainly due to cancellation of asymmetrical MTRs and increased price competition
- Strong mobile data revenue growth of 50% YoY driven by 4G/LTE launch
- EBITDA margin decreased 6 pp YoY due to decline in voice revenues partially offset by cost efficiencies

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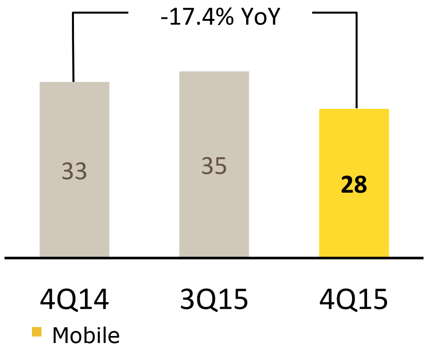
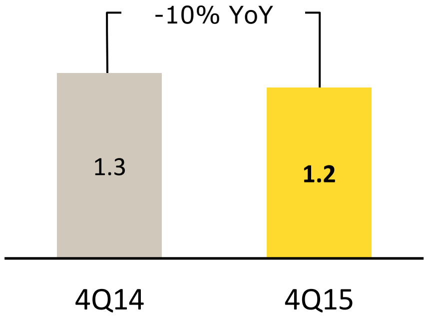
Tajikistan: outperformed a challenging market

USD MILLION, UNLESS STATED OTHERWISE

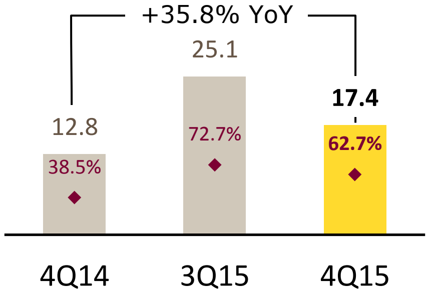
Service revenue



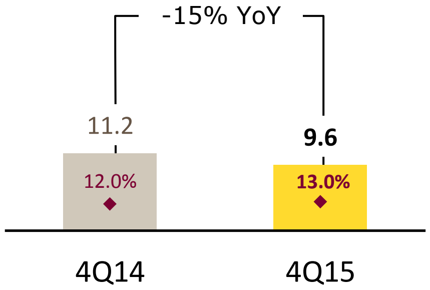
Mobile customers
(million)



EBITDA and EBITDA margin



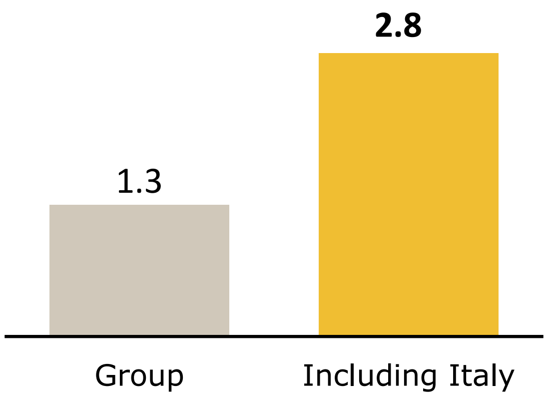
CAPEX excl. licenses and LTM CAPEX/revenue



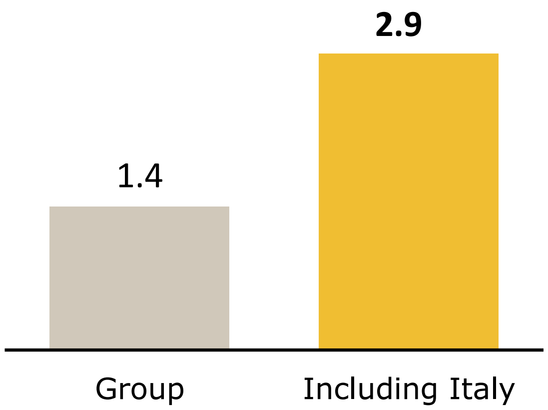
- Environment remains challenging with increasing competition and currency headwinds
- Continued improvements in network quality
- Service revenue decreased 17% due to lower incoming international traffic due to fewer migrants living abroad
- EBITDA grew 36% YoY due to lower international and local interconnect costs

Reduced net debt offset by FOREX impact on EBITDA

Net debt / EBITDA[1]
(September 30, 2015)



Net debt / EBITDA[1]
(December 31, 2015)



[1] *Underlying EBITDA*

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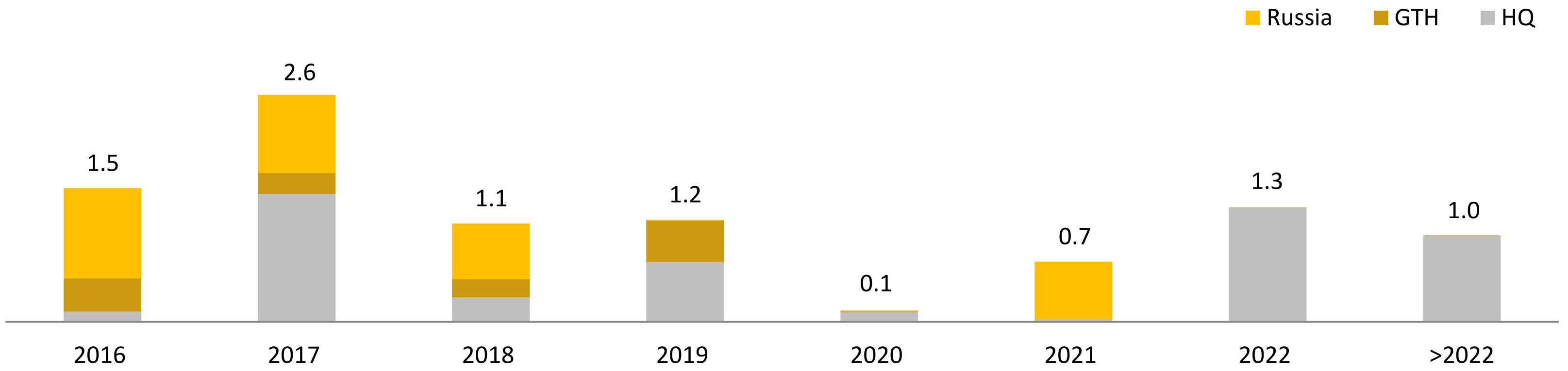
Debt maturity schedule

As at 31 December 2015, in USD billion

Group debt maturity schedule by Business Units



Group debt maturity schedule by currency[1]

	2016	2017	2018	2019	2020	2021	2022	>2022	
USD	0.7	1.5	0.6	1.0	0.1	0.7	1.3	1.0	72%
RUB	0.5	0.9	0.3	0.0	0.0	0.0	0.0	0.0	18%
Other	0.4	0.2	0.2	0.2	0.0	0.0	0.0	0.0	10%

[1] *After effect of cross currency swaps*

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Debt by entity

As at 31 December 2015, USD million

Outstanding debt (millions)	**Type of debt/lender**					
Entity	**Bonds**	**Loans**	**RCF**	**Vendor Financing**	**Other**	**Total**
VimpelCom Holdings B.V.	3,347	-	-	-	-	3,347
VimpelCom Amsterdam B.V.	-	1,000	-	638	-	1,638
PJSC VimpelCom	2,229	832	-	114	41	3,216
Pakistan Mobile Communications Limited	75	309	-	-	-	384
Banglalink Digital Communications Ltd.	300	85	-	-	19	404
Omnium Telecom Algeria S.p.A.	-	514	-	-	0	514
KaR-Tel LLP		12				12
Others	-	19	-	9	0	29
Total	**5,952**	**2,771**	**-**	**761**	**60**	**9,544**

4Q15 cash flow statement

USD million	4Q15	4Q14	YoY
EBITDA	793	1,074	(281)
Changes in working capital and other	(62)	122	(184)
Net interest paid	(120)	(172)	52
Income tax paid	(126)	(108)	(18)
Net operating cash flow from discontinued operations	422	482	(60)
Net cash from operating activities	**907**	**1,398**	**(491)**
Net investing cash flow from continued operations	(674)	(580)	(94)
Net investing cash flow from discontinued operations	(275)	(326)	51
Net cash used in investing activities	**(949)**	**(906)**	**(43)**
Net financing cash flow from continued operations	(97)	368	(465)
Net financing cash flow from discontinued operations	(3)	(109)	106
Net cash flow from financing activities	**(100)**	**259**	**(359)**
Net (decrease)/increase in cash and cash equivalents	**(142)**	**752**	**(894)**

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2015 cash flow statement

USD million	FY15	FY14	YoY
EBITDA	2,857	5,560	(2,703)
Changes in working capital and other	(324)	451	(775)
Net interest paid	(758)	(956)	198
Income tax paid	(671)	(442)	(229)
Net operating cash flow from discontinued operations	929	666	263
Net cash from operating activities	**2,033**	**5,279**	**(3,246)**
Net investing cash flow from continued operations	(2,494)	(2,993)	499
Net investing cash flow from discontinued operations	(140)	(984)	844
Net cash used in investing activities	**(2,634)**	**(3,977)**	**1,343**
Net financing cash flow from continued operations	(732)	2,007	(2,739)
Net financing cash flow from discontinued operations	(707)	(678)	(29)
Net cash flow from financing activities	**(1,439)**	**1,329**	**(2,768)**
Net (decrease)/increase in cash and cash equivalents	**(2,040)**	**2,631**	**(4,671)**

FOREX development

Rates of functional currency to USD

	Average rates			Average rates				Closing rates		
	4Q15	4Q14	YoY	FY16 Targets	FY15	FY14	YoY	4Q15	3Q15	QoQ
Russian Ruble	65.94	47.42	39.0%	70.00	60.96	38.42	58.7%	72.88	66.24	10.0%
Euro	0.91	0.80	14.1%	0.88	0.90	0.75	19.5%	0.92	0.89	2.9%
Algerian Dinar	106.81	85.11	25.5%	100.00	100.37	80.61	24.5%	107.10	106.21	0.8%
Pakistan Rupee	104.94	101.89	3.0%	105.00	102.75	101.03	1.7%	104.73	104.46	0.3%
Bangladeshi Taka	78.46	77.52	1.2%	79.00	77.96	77.55	0.5%	78.25	77.78	0.6%
Ukrainian Hryvnia	22.85	14.43	58.3%	25.00	21.83	11.91	83.3%	24.00	21.53	11.5%
Kazakh Tenge	300.44	181.39	65.6%	350.00	222.25	179.12	24.1%	339.47	270.40	25.5%
Uzbekistan Som	2,712.0	2,393.5	13.3%	2,840.0	2,568.7	2,311.5	11.1%	2,810.0	2,621.0	7.2%
Armenian Dram	478.50	430.64	11.1%	480.00	477.82	415.75	14.9%	483.75	473.71	2.1%
Kyrgyz Som	72.25	56.99	26.8%	70.00	64.48	53.66	20.2%	75.90	68.84	10.3%
Georgian Lari	2.40	1.81	32.8%	2.25	2.27	1.77	28.6%	2.39	2.38	0.6%

Source: National Banks of the respective countries, Company calculations

Reconciliation of EBITDA

USD mln	4Q15	4Q14	FY15	FY14
Unaudited				
EBITDA	**793**	**1,074**	**2,857**	**5,560**
Depreciation	(363)	(421)	(1,550)	(1,996)
Amortization	(129)	(131)	(517)	(647)
Impairment loss	(136)	(1,037)	(245)	(976)
Loss on disposals of non-current assets	(16)	(21)	(38)	(68)
EBIT	**148**	**(536)**	**506**	**1,873**
Financial Income and Expenses	(184)	(114)	(777)	(1,025)
- including finance income	17	4	52	52
- including finance costs	(201)	(225)	(829)	(1,077)
Net foreign exchange (loss)/gain and others	(64)	(282)	(343)	(472)
- including Other non-operating (losses)/gains	(12)	145	(43)	122
- including Shares of loss of associates and joint ventures accounted for using the equity method	1	4	14	(38)
- including Net foreign exchange gain	(54)	(325)	(314)	(556)
EBT	**(100)**	**(933)**	**(613)**	**375**
Income tax expense	90	34	238	599
Profit/ (loss) from discontinued operations	252	(90)	263	(679)
Profit/(loss) for the year	62	(1,057)	(589)	(903)
Profit/(loss) for the year attributable to non-controlling interest	41	(166)	103	(256)
Profit for the year attributable to the owners of the parent	**21**	**(890)**	**(691)**	**(647)**

Reconciliation of consolidated net debt

Reconciliation of consolidated net debt

USD mln	31 December 2015	30 September 2015	31 December 2014
Net debt	5,496	5,437	19,992
Cash and cash equivalents	3,614	3,930	6,342
Long - term and short-term deposits	434	375	109
Gross debt	9,544	9,742	26,443
Interest accrued related to financial liabilities	180	127	410
Fair value adjustment	-	-	29
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	60	58	(106)
Derivatives not designated as hedges	0	3	259
Derivatives designated as hedges	5	2	89
Total other financial liabilities	9,788	9,932	27,124