1Q15 Earnings Presentation

Amsterdam – May 13, 2015

Jean-Yves Charlier – CEO
Andrew Davies – CFO

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New Group CEO – Jean-Yves Charlier

Strategic update planned for August 6, 2015

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Strategic highlights

- Successful closing of Algeria transaction
- Repaid USD 3.4 billion of debt
- Italian tower sale completed
- Concluded 3rd and final stage of refinancing in Italy
- Acquired 3G license in Ukraine
- 4G/LTE services launched in Georgia
- On track to deliver 2015 targets

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1Q15 Financial highlights

Service revenue
(USD billion)

3.4

- 2% organic[2] YoY
- 30% reported YoY

Mobile customers
(million)

218

+ 4.8 million YoY

EBITDA
(USD billion)

1.4

- 6% organic[2] YoY
- 33% reported YoY

EBITDA margin[1]
(%)

39.7

- 1.7 p.p. organic[2] YoY
- 1.9 p.p. reported YoY

- Organic results in line with management expectations
- Marginal organic decline in service revenue:
  - Delayed 3G launch in Algeria
  - Continued market weakness in Italy
- EBITDA margin decreased organically in line with expectations:
  - Higher network costs in Russia
  - External influenced cost increases in Ukraine
- Strong mobile customer growth in most markets
- Reported results impacted by currency headwinds

1. EBITDA margin is EBITDA divided by total revenue; EBITDA and EBITDA margin are non-GAAP financial measures – reconciliations are included in the Appendix
2. Revenue and EBITDA organic growth are non-GAAP financial measures that exclude the effect of foreign currency translation and certain items such as liquidations and disposals

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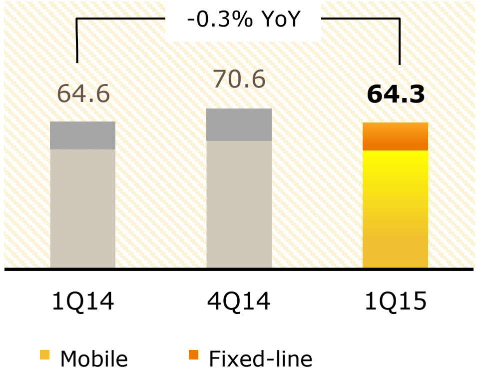
Business Unit Performance 1Q15

Russia: Continued operational improvements

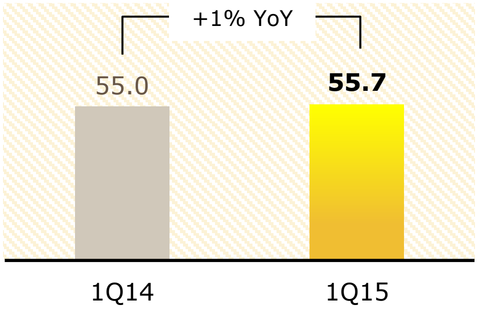
RUB BILLION, UNLESS STATED OTHERWISE

Service revenue

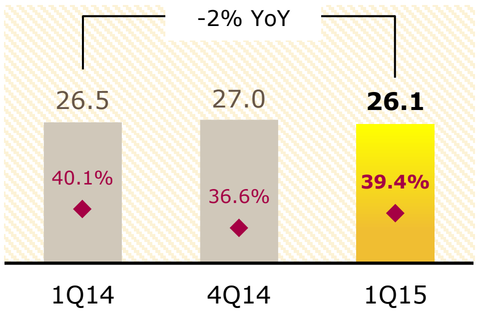


Mobile customers

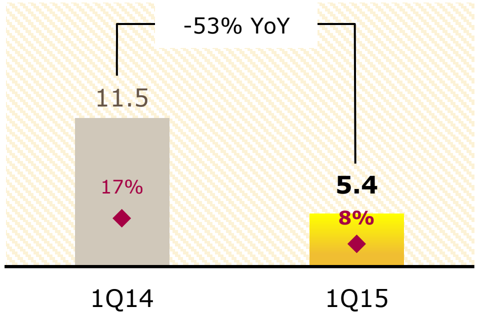
(million)



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Continued improvements in NPS and churn led to sequential YoY growth in mobile customers
- Stable revenue market share
- Mobile data revenue grew 18% YoY
- EBITDA decreased 2% YoY, mainly due to negative effect of ruble weakness on costs. Excluding currency headwinds, EBITDA would have increased 5% YoY
- 4G/LTE network sharing project according to plan, reducing construction costs by 30-40%

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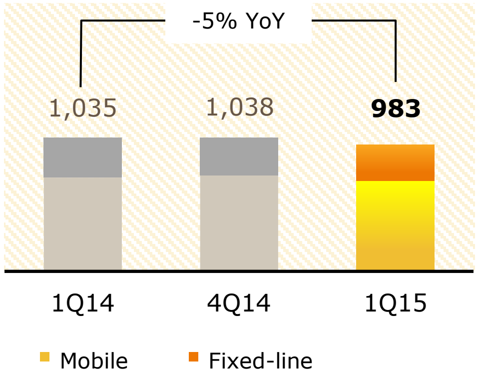
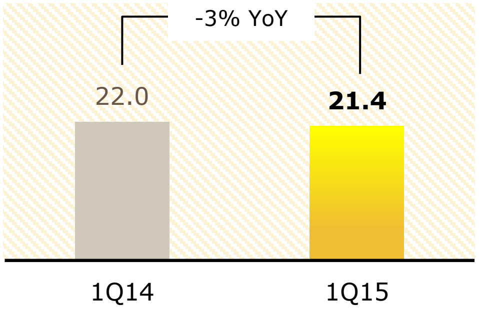
Italy: Continued outperformance in mobile

EUR MILLION, UNLESS STATED OTHERWISE

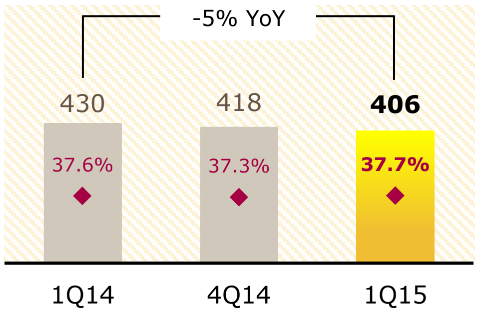
Service revenue



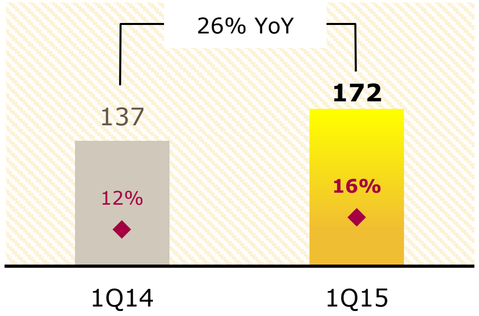
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Mobile service revenue declined by 3% YoY - a significant trend improvement versus previous quarters
- Mobile data revenue increased 17% YoY with data users increasing 16% YoY
- EBITDA decreased 5% with YoY trend improving sequentially
- Stable EBITDA margin YoY
- Final stage of refinancing successfully concluded & tower sale completed
- Total annualized interest savings from refinancing of ~ EUR 340 million

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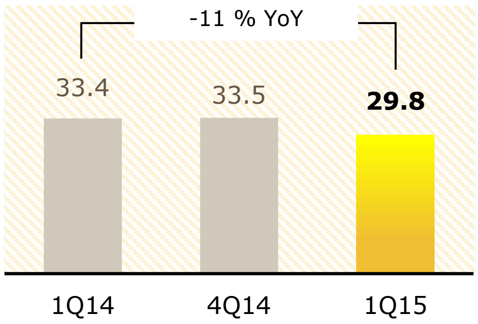
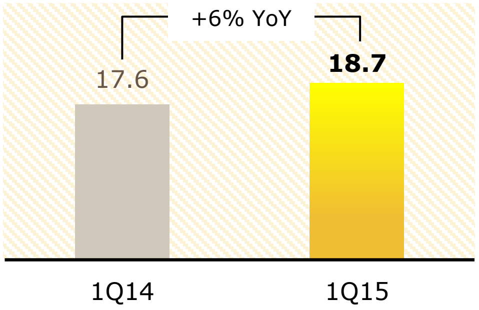
Algeria: Transformation to take 12 to 18 months

DZD BILLION, UNLESS STATED OTHERWISE

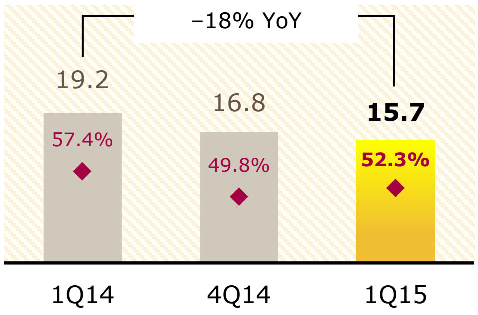
Service revenue



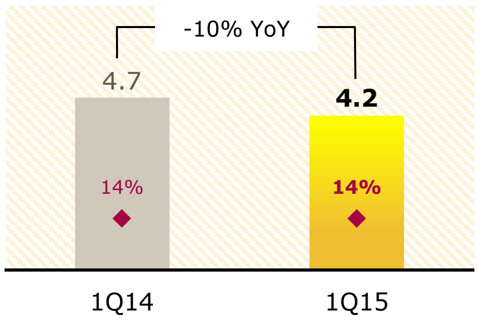
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



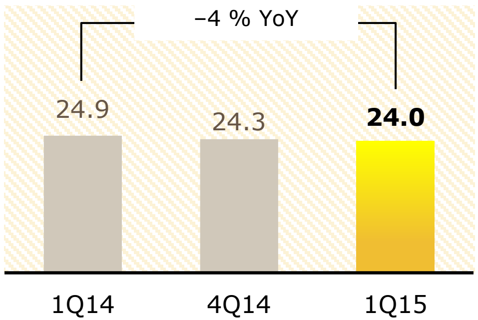
- Market leader in very attractive growth market, with a strong local partner
- Strengthening local management team
- Clear leader in NPS[1] with continued QoQ customer base growth
- EBITDA decreased due to revenue decline and higher marketing costs
- Continued roll out of 3G, now launched in 25 regions
- Results expected to remain under pressure in 2015

[1] *NPS (Net Promoter Score) is the methodology VimpelCom uses to measure customer satisfaction*

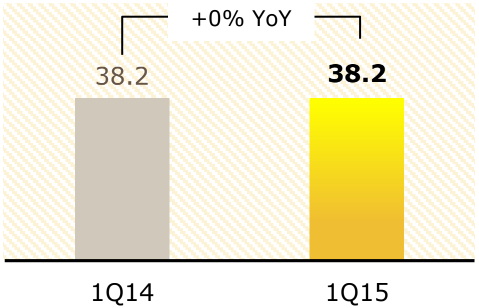
Pakistan: Operational improvements

PKR BILLION, UNLESS STATED OTHERWISE

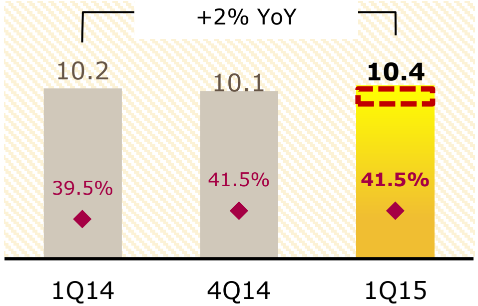
Service revenue



Mobile customers
(million)

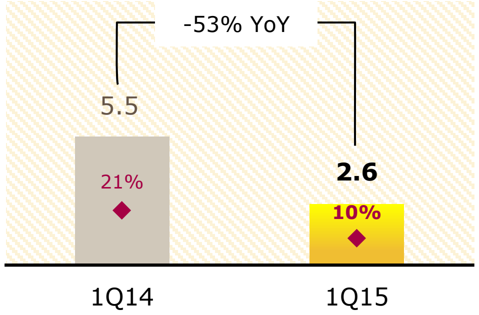


EBITDA and EBITDA margin[1]



= SIM re-verification costs of ~ PKR 0.7 bln

CAPEX and CAPEX/revenue



- 2G network modernization completed; continued investment in mobile data network
- Revenue pressure due to simplified VAS charging and SIM re-verification
- Strong mobile data revenue and mobile financial services growth YoY
- Continued improvements in NPS, maintained leading customer market share
- Underlying EBITDA margin of 41.5%, benefiting from power cost savings

Mobilink

[1] *In 1Q15 reported EBITDA margin was 38.5% as reported EBITDA includes SIM re-verification costs of ~ PKR 0.7 bn; reported EBITDA was PKR 9.7 bn, a decline of 5% YoY*

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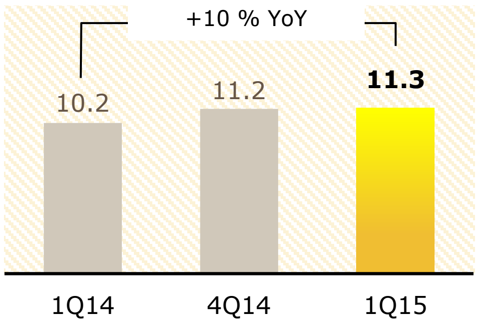
Bangladesh: Continued double digit growth

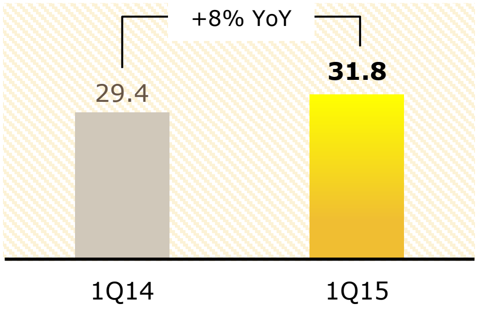
BDT BILLION, UNLESS STATED OTHERWISE

Service revenue

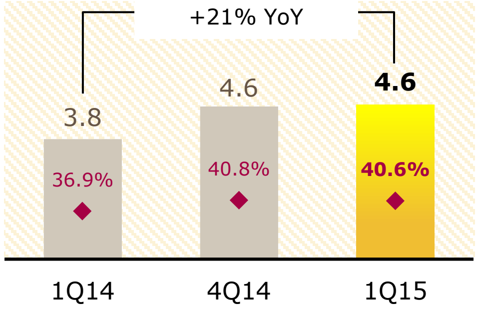


Mobile customers

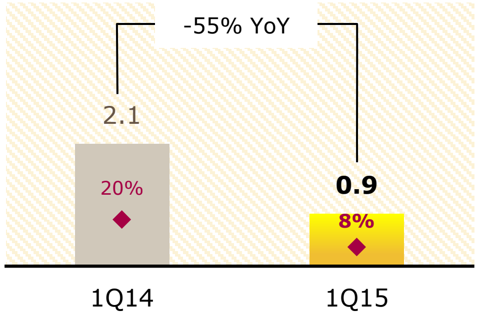
(million)



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Continued customer and revenue market share gains
- Continued double digit revenue growth YoY despite unstable macro environment
- EBITDA increased 21% YoY driven by revenue growth and cost efficiencies
- Banglalink maintained its leading NPS, continued improvement in churn
- Banglalink had strong growth in mobile data usage
- CAPEX impacted by 48 days of strikes

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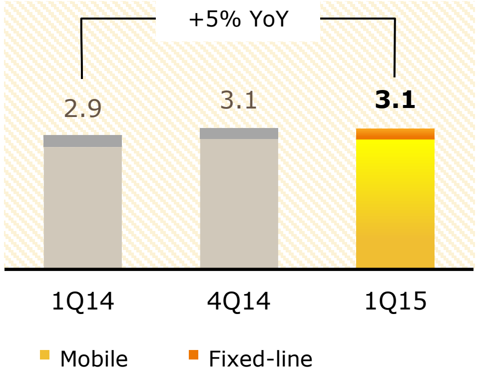
Ukraine: Solid results in a challenging environment

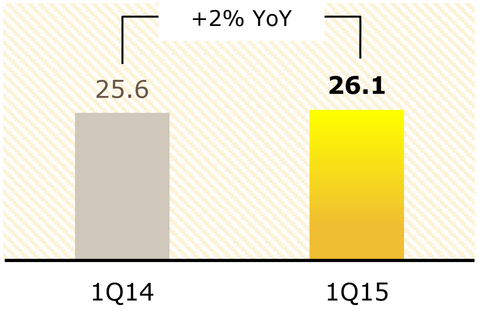
UAH BILLION, UNLESS STATED OTHERWISE

Service revenue

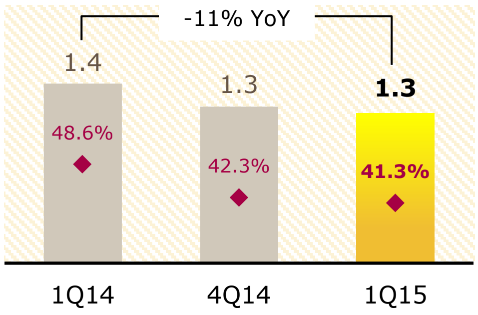


Mobile customers

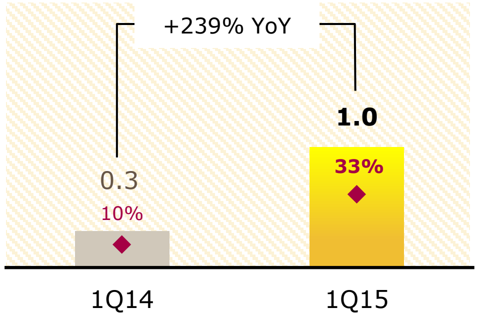
(million)



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- YoY customer and mobile service revenue growth, despite challenging & volatile environment
- Improvement in annualized churn of 7 p.p. YoY
- Mobile data revenue growth 16% YoY
- EBITDA and EBITDA margin declined mainly due to external factors
- Continued 3G roll out, launch expected in 2H15

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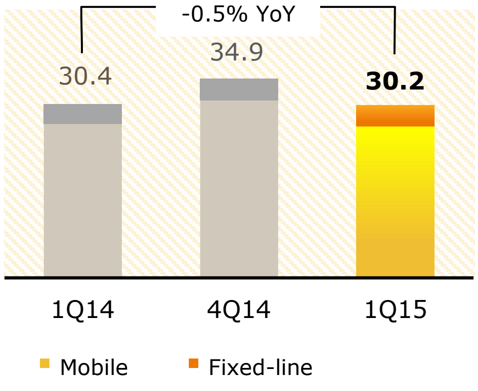
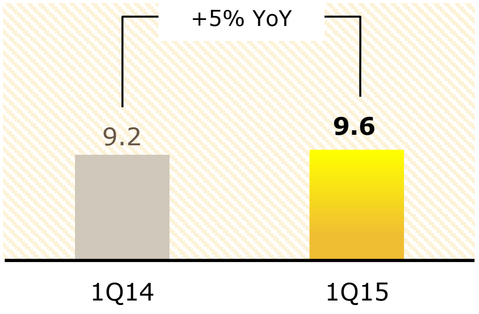
Kazakhstan: Strong position in competitive market

KZT BILLION, UNLESS STATED OTHERWISE

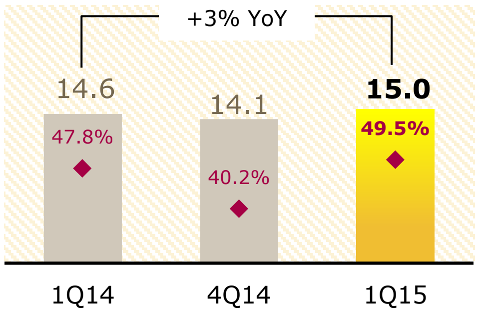
Service revenue



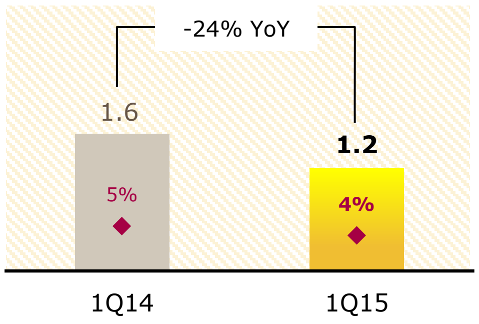
Mobile customers
(million)



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Strong position as a result of attractive customer propositions, network and distribution
- Excluding MTR reductions mobile service revenue increased 2% YoY
- Mobile data revenue grew 38% YoY
- Fixed-line service revenue grew 9% YoY
- EBITDA margin positively impacted by MTR reduction
- Increased competitive environment expected to remain in 2015

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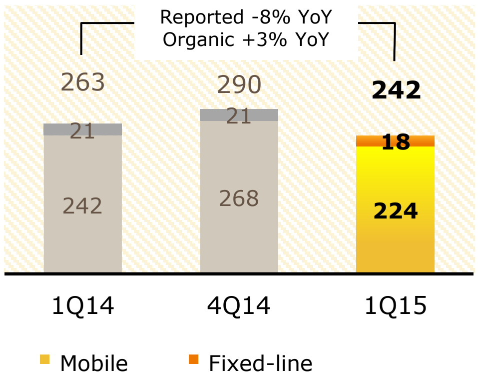
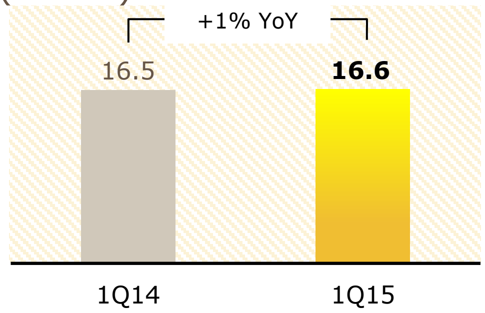
Eurasia[1]: Increased competition

USD MILLION, UNLESS STATED OTHERWISE

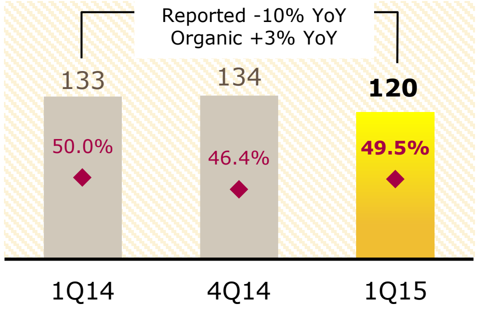
Service revenue



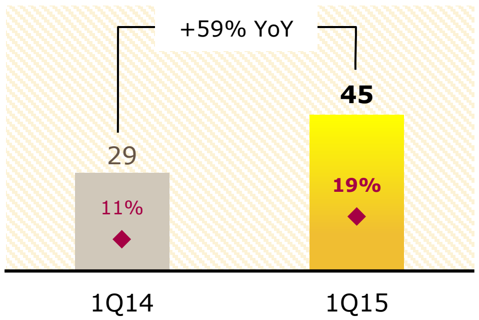
Mobile customers (million)



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Mobile service revenue increased organically 3% YoY mainly due to solid results in Uzbekistan
- Mobile data revenue growth of 8% YoY
- Churn improved YoY in Uzbekistan, Armenia and Kyrgyzstan
- 4G/LTE launched in Georgia
- Increasing competition in Uzbekistan in 2015 (from 2 to 4 player market)

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[1] *Eurasia consists of our operations in Uzbekistan, Armenia, Kyrgyzstan, Tajikistan, Georgia and Laos*

1Q15 Income statement

USD million	1Q15	1Q14	YoY	
Revenue	3,515	5,024	(30%)	• Organic decline of 2% due to the delayed 3G launch in Algeria, continued market weakness in Italy, partly offset by growth in Bangladesh, Ukraine and Eurasia
of which service revenue	***3,358***	***4,810***	***(30%)***	
EBITDA	**1,396**	**2,088**	**(33%)**	• Organic decline of 6% mainly driven by revenue decline, additional network costs in Russia, externally influenced cost increases in Ukraine and higher marketing costs in Algeria
EBITDA Margin	***39.7%***	***41.6%***	***(1.9pp)***	
D&A	(885)	(1,164)	(24%)	• Decrease in D&A due to local currency depreciation and decrease in amortization costs due to reduction in the charge on customer relationships in Italy and Algeria
Impairment loss	(98)	0	n.m.	• Impairment of goodwill on Ukraine and Armenia
Gain from tower sale in Italy	466	0	n.m.	
EBIT	**879**	**924**	**(5%)**	
Financial expenses	(382)	(513)	(26%)	• Significant YoY reduction from refinancing of Wind Italy in 2014 and weakening of ruble and euro
FOREX and Other	(53)	(165)	(68%)	• Positive effect from hedging, which offset foreign exchange losses as a result of local currencies depreciation
Profit before tax	**444**	**246**	**81%**	
Tax	(271)	(174)	56%	• Due to higher profits and non deductible expenses related to tower sale in Italy
Profit for the period	**173**	**72**	**n.m.**	
Non-controlling interest	11	(34)	n.m.	
Net income[1]	**184**	**38**	**n.m.**	

[1] *Net income attributable to VimpelCom shareholders*

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1Q15 Cash flow statement

USD million	1Q15	1Q14	YoY
EBITDA	1,396	2,088	(33%)
Changes in working capital and other	(1,387)	(34)	n.m.
Net interest paid	(429)	(652)	(34%)
Income tax paid	(344)	(234)	47%
Net cash from operating activities	**(764)**	**1,168**	**n.m.**
Purchase of assets	(642)	(1,174)	(45%)
Inflow from asset disposals and deposits and other	693	(37)	n.m.
Net cash used in investing activities	**51**	**(1,211)**	**n.m.**
Net cash from financing activities	**1,136**	**200**	**n.m.**
Net increase in cash and cash equivalents	**423**	**157**	**169%**

- Payment of Bank of Algeria fine (USD 1.1 billion), as part of closing transaction in Algeria
- Significant YoY reduction from refinancing of Wind Italy in 2014 and weakening of ruble and euro
- One-off withholding tax related to Algeria transaction

- Decrease YoY due to depreciation of the RUB, EUR and UAH against the USD and modernization projects completed in 2014
- Proceeds from sale of Italian towers of USD 0.7 billion

In 1Q15:
- Net proceeds from closing transaction in Algeria of USD 2.3 bn
- RUB bonds repayments of USD 0.6 bn
- Refinancing in Italy using tower sale proceeds of USD 0.5 bn
- RCF repayment of USD 0.5 bn
- Draw down of loan facility in Algeria for USD 0.6 bn

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1Q15 continued capital structure optimization

Bought back USD1.8 bln bonds using Algeria proceeds[1]

Repaid RUB 35 bln bonds using Algeria proceeds

Sale of 90% shares in Italian towers Company for EUR 693 mln

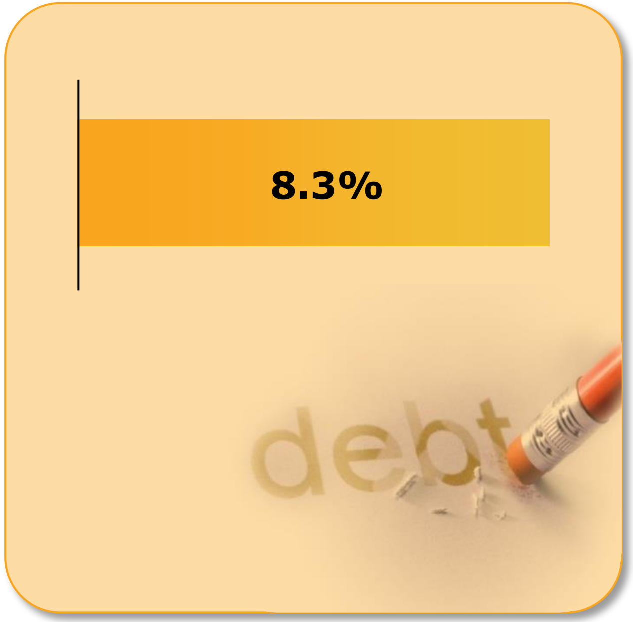
Closed transaction in Algeria, USD 3.8 bln net proceeds

3rd refinancing of Italy

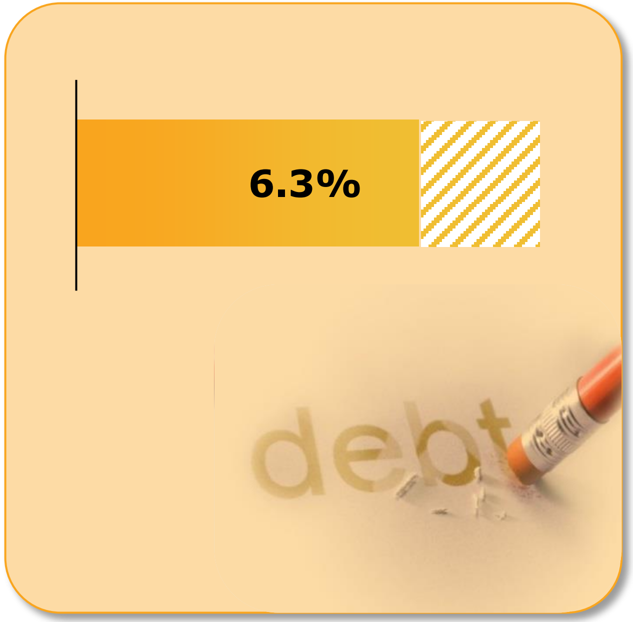
[1] *On April 2, the tender offer was settled and the bonds bought back were cancelled*

Substantially reduced the cost of debt

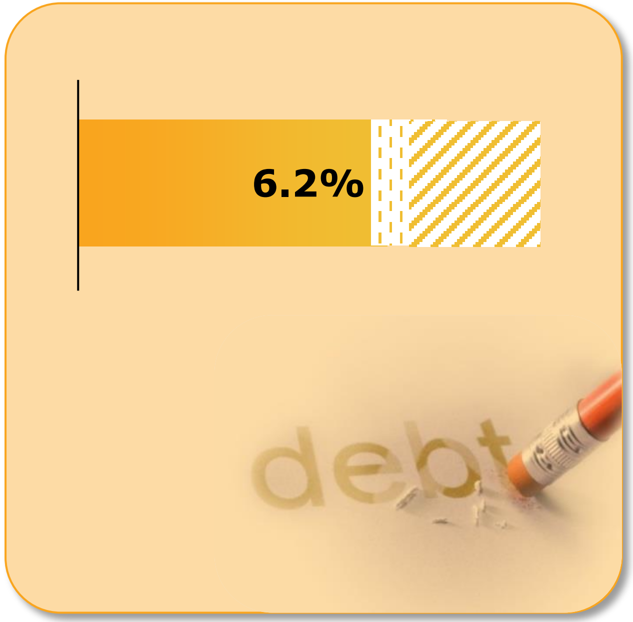
Average cost of debt 1Q14



Average cost of debt 4Q14



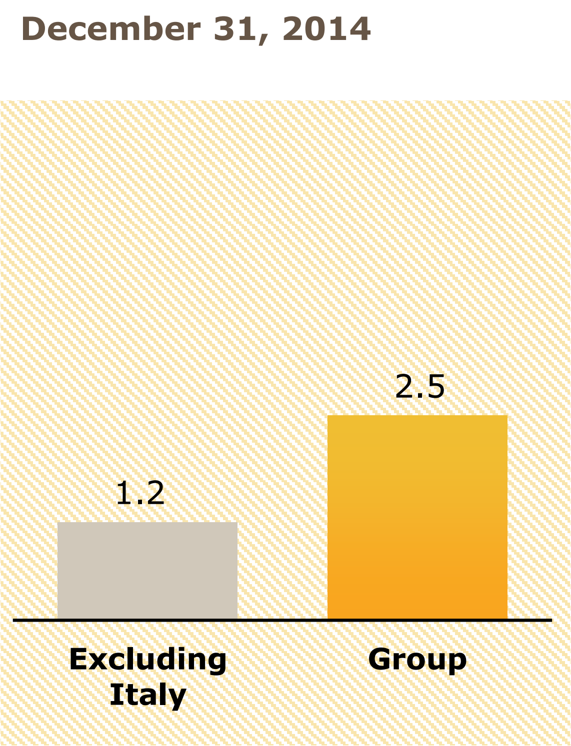
Pro forma average cost of debt 1Q15[1]

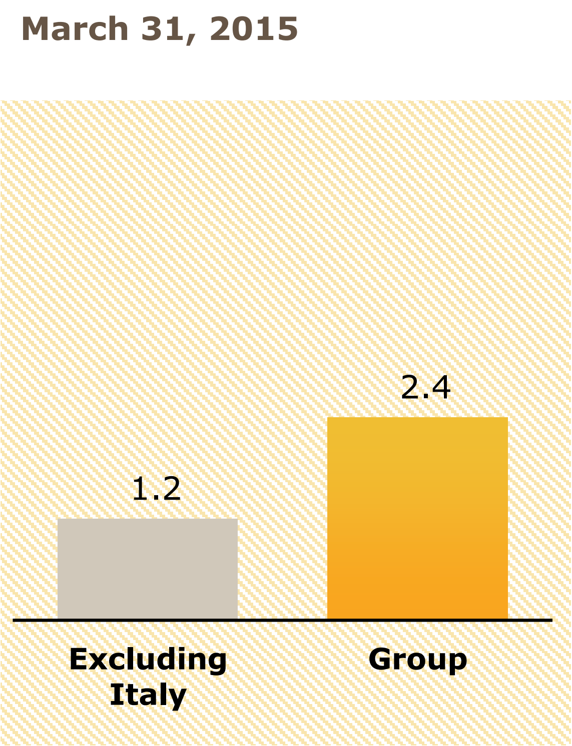


[1] *Average cost of debt at 1Q15 is pro-forma for the outcome of the tender. Settlement of the tender and cancellation of the bonds was at April 2*

Reduced net debt offset by FOREX impact on EBITDA

Net debt / EBITDA





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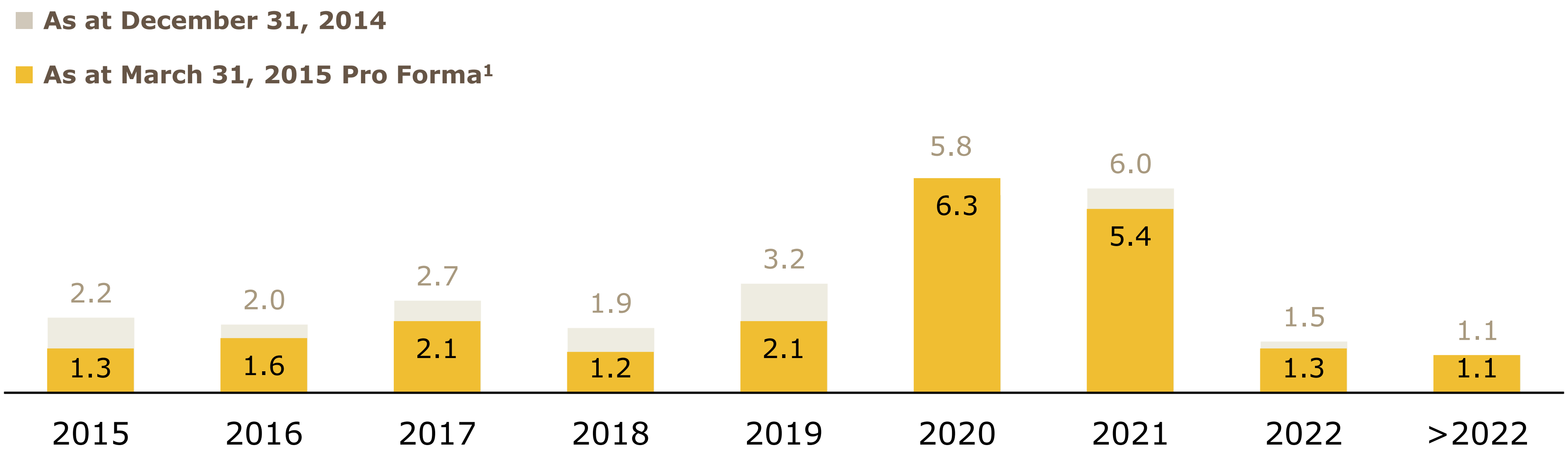
Significantly improved debt maturity schedule

Group debt maturity schedule
(in USD billion)



[1] *Maturity schedule at March 31, 2015 is pro forma for the outcome of the tender. Settlement of the tender and cancellation of the bonds was at April 2, 2015*

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Cash flow enhancing from financing improvements during 2014 - 1Q 2015

	Targeted potential A&I day Jan 2014	Expected savings
In-house finance company	USD 50 million	USD 20 million
Debt optimization	USD 150 million	USD 400 million ✔
Gross debt reduction	USD 150 million	USD 280 million ✔
Withholding tax saving	USD 50 million	
Total	**USD 400 million per year**	**USD 700 million per year** ✔

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Confirmed annual targets 2015

	Targets 2015[1]
Service Revenue	Flat to low single digit decline YoY
EBITDA Margin	Flat to minus one p.p. YoY
EPS[2]	USD 0.35 – 0.40
CAPEX / Revenue	~20%
Leverage (Net Debt / EBITDA)	~3.2x
Excl. Italy	~1.7x

[1] The annual targets for 2015 assume constant currency, no major regulatory changes, no change to the asset portfolio and no major macro-economic changes
[2] EPS 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, other one-off charges and constant number of shares

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Conclusion

- Continued operational improvements
- Strong increase in EPS
- Successful closing of Algeria transaction
- Repaid USD 3.4 billion of debt
- Completed Italian tower sale & 3rd and final stage of refinancing in Italy
- On track to deliver 2015 targets

VimpelCom's 4th Analyst & Investor site visit Moscow, Russia

July 9, 2015

Moscow, Russia

Presentations by Group CFO,
Head of BU Russia and
local management

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2Q15 results & strategy update

August 6, 2015

London

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Q&A

Further information

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Appendix

Credit facilities: USD 3.8 billion in available headroom

USD 0.4 bn credit facilities arranged in 1Q15:

Financing	
WIND	USD 0.4 billion RCF (EUR 0.4 billion RCF[1])

Available RCF headroom at the end 1Q15:

VimpelCom	USD 1.8 billion
OJSC VimpelCom	USD 0.3 billion (RUB 15 billion)
WIND	USD 0.4 billion (EUR 0.4 billion)

Available VF/CF headroom at the end 1Q15:

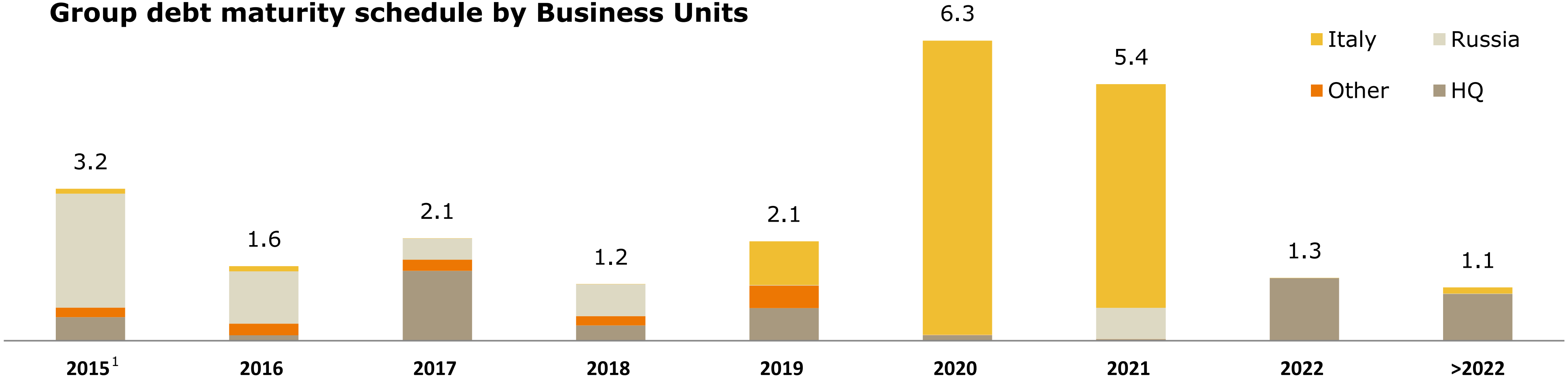
VimpelCom – CDB/BoC	USD 1.0 billion
Algeria - syndicate	USD 0.3 billion (DZD 32 billion)

[1] Replaced previous RCF of EUR 0.6 billion

Debt maturity profile

As at 31 March 2015, in USD billion

Group debt maturity schedule by Business Units



Group debt maturity schedule by currency[2]

	2015[1]	2016	2017	2018	2019	2020	2021	2022	>2022	
EUR	0.1	0.1	0.0	0.0	0.9	5.7	4.1	0.0	0.1	48%
USD	1.9	0.7	1.5	0.6	1.0	0.1	0.7	1.3	1.0	38%
RUB	0.9	0.5	0.4	0.4	0.0	0.0	0.0	0.0	0.0	10%
Other	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	5%

[1] Includes USD 1.8 bln bonds tendered in March 2015, while settlement of the tender and cancellation of the bonds was at April 2, 2015
[2] After effect of cross currency swaps

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Debt by entity

As at 31 March 2015, USD million

Outstanding debt	Type of debt/lender					
Entity	**Bonds**	**Loans**	**RCF**	**Vendor Financing**	**Other**	**Total**
VimpelCom Holdings B.V.	3,785	-	-	-	-	3,785
VimpelCom Amsterdam B.V.	-	1,000	-	736	-	1,736
OJSC VimpelCom	3,479	1,523	-	186	45	5,233
WIND Telecomunicazioni S.p.A.	-	1,066	-	-	31	1,097
WIND Acquisition Finance S.A.	10,992	-	-	-	-	10,992
Pakistan Mobile Communications Limited	19	365	-	-	2	385
Banglalink Digital Communications Ltd.	300	142	-	0	0	443
Omnium Telecom Algeria S.p.A.	-	512	-	-	0	512
Others	-	19	-	8	15	42
Total gross debt	**18,575**	**4,627**	**-**	**930**	**93**	**24,225**

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FOREX rates used in annual targets for 2015

	Currency	FX rates versus USD
Algeria	DZD	92.0
Armenia	AMD	415.0
Bangladesh	BDT	79.0
Egypt	EGP	7.5
Georgia	GEL	1.8
Italy	EUR	0.91
Kazakhstan	KZT	190.0
Kyrgyzstan	KGS	55.0
Pakistan	PKR	105.0
Russia	RUB	70.0
Ukraine	UAH	25.0

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Service revenue and EBITDA development in 1Q15

	1Q 2015 vs 1Q 2014					
	Service Revenue			EBITDA		
Business Units	**Organic**	**FX and others**	**Reported**	**Organic**	**FX and others**	**Reported**
Russia	0%	(44%)	(44%)	(2%)	(43%)	(45%)
Italy	(5%)	(17%)	(22%)	(5%)	(18%)	(23%)
Algeria	(11%)	(14%)	(25%)	(18%)	(14%)	(32%)
Pakistan	(4%)	2%	(2%)	(5%)	2%	(3%)
Bangladesh	10%	0%	10%	21%	0%	21%
Ukraine	5%	(60%)	(55%)	(11%)	(50%)	(61%)
Kazakhstan	0%	(9%)	(9%)	3%	(9%)	(6%)
Eurasia	3%	(11%)	(8%)	3%	(13%)	(10%)
Total	**(2%)**	**(28%)**	**(30%)**	**(6%)**	**(27%)**	**(33%)**

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Reconciliation of EBITDA

USD mln	1Q15	1Q14
Unaudited		
EBITDA	**1,396**	**2,088**
Depreciation	(584)	(758)
Amortization	(286)	(394)
Impairment loss	(98)	-
Loss on disposals of non-current assets	(15)	(12)
Gain from sale of towers in Italy	466	-
EBIT	**879**	**924**
Financial Income and Expenses	(382)	(513)
- including finance income	12	14
- including finance costs	(394)	(527)
Net foreign exchange gain / (loss) and others	(53)	(165)
- including Other non-operating gains / (losses)	73	(36)
- including Shares of loss of associates and joint ventures accounted for using the equity method	(3)	(37)
- including Net foreign exchange gain / (losses)	(123)	(92)
EBT	**444**	**246**
Income tax expense	271	174
Profit for the year	**173**	**72**
Profit/(loss) for the year attributable to non-controlling interest	(11)	34
Profit for the year attributable to the owners of the parent	**184**	**38**

USD mln	1Q15 LTM	1Q14 LTM
Unaudited		
EBITDA	**7,277**	**8,000**
Add back provisions related to the 51% sale in Algeria	50	1,266
LTM EBITDA adjusted	**7,327**	**9,266**

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Reconciliation of consolidated net debt

Reconciliation of consolidated net debt

USD mln	1Q15	4Q14	3Q14
Net debt	17,608	19,992	21,736
Cash and cash equivalents	6,499	6,342	5,852
Long-term and short-term deposits	118	109	126
Gross debt	24,225	26,443	27,714
Interest accrued related to financial liabilities	371	410	402
Fair Value adjustment	49	29	8
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	(75)	(106)	(104)
Other liabilities at amortized costs	271	259	249
Derivatives designated as hedges	108	89	106
Total debt and other financial liabilities	24,949	27,124	28,375

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