

CIS

Dmitry Kromsky

Group Executive Vice President and Head of the CIS Business Unit

Market and Competitive Scenario

Kazakhstan

- 3 international competitors in GSM (Beeline – 2nd). Telia Sonera (K-Cell) 1st, Tele2 3rd (newcomer)
- 2G penetration 119%, 3G services, LTE test zone first in CIS
- Beeline FTTB as 1st alternative, China Transit project over main-line NW



Uzbekistan

- 3 GSM competitors, Beeline fights for 2nd with Telia Sonera (U-Cell), MTS (Russian competitor subsidiary) is #1
- 2G penetration 79%, 3G operations, LTE by competitors, Beeline LTE in 2012
- Price wars, tough governance, state monopoly for international communication



Armenia

- 3 international competitors in GSM: Beeline – 2nd, MTS (Russian competitor subsidiary) is 1st, Orange is 3rd
- 2G penetration 120%, 3G operations, LTE license - MTS high data usage
- Beeline fixed monopoly, stagnating voice, ADSL as fixed BB, growing competition urges for FTTx



Kyrgyzstan

- 3 GSM competitors (Beeline fights for 1st), penetration 86%, 3G developing fast, EBITDA margin leader together with growth



Tajikistan

- 4 GSM competitors (Beeline 3rd), 2G penetration 70%, 3G operations first in CIS, low data usage, collaboration with BU Russia for migrant Subs



Georgia

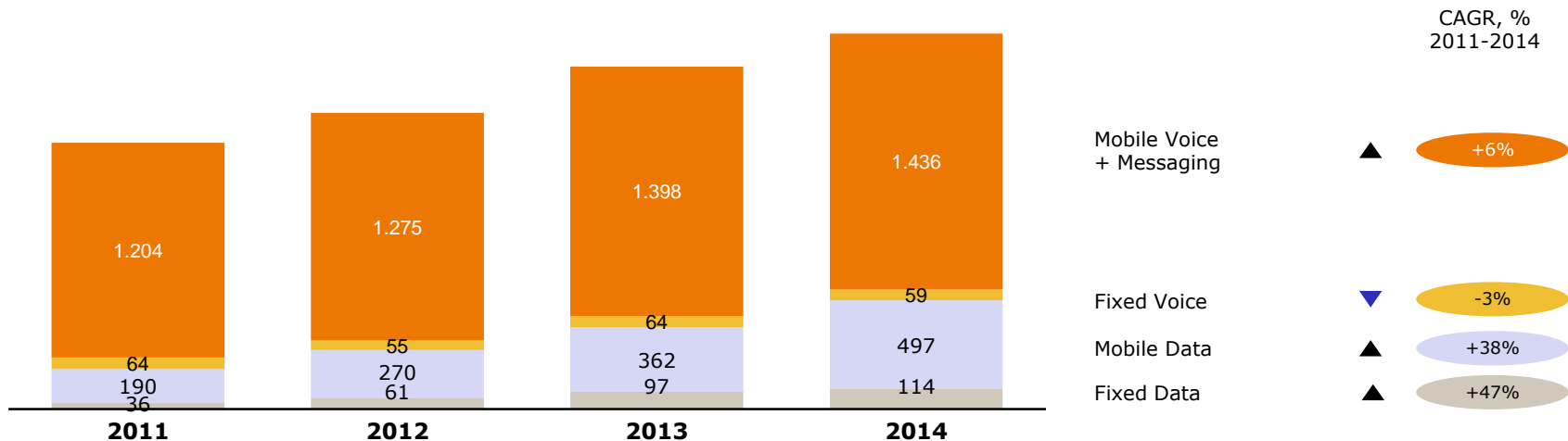
- 3 GSM competitors (Beeline – 3rd and growing), 2G penetration 102%, 3G operations by competitors, 80+% coverage, liberal economy



Market Industry Trends CIS

Total CIS telecom dynamics

(Revenues in USD million)

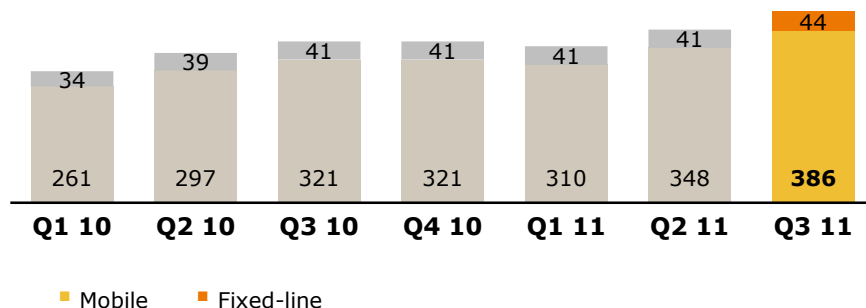


Telecom market expected to grow 7% CAGR 2011-2014, mainly driven by Mobile Data

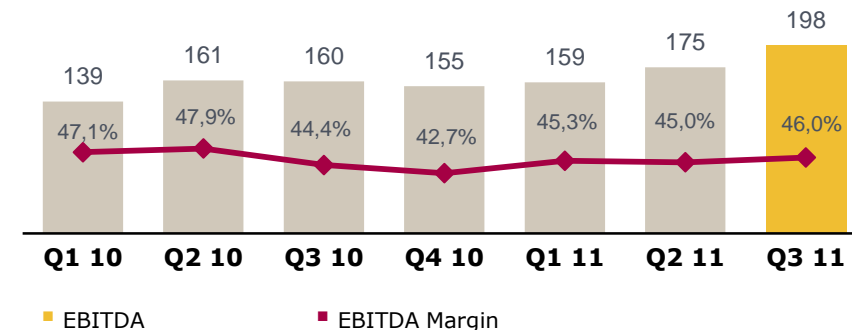
Total Revenue Growth LC	2009	2010	2011 YTD
Kazakhstan	7.9%	12.1%	11.5%
Tajikistan	16.5%	32.1%	27.5%
Uzbekistan	-2.4%	-0.7%	30.4%
Georgia	106.1%	55.5%	24.0%
Armenia	-7.2%	-6.4%	3.4%

Today's Performance

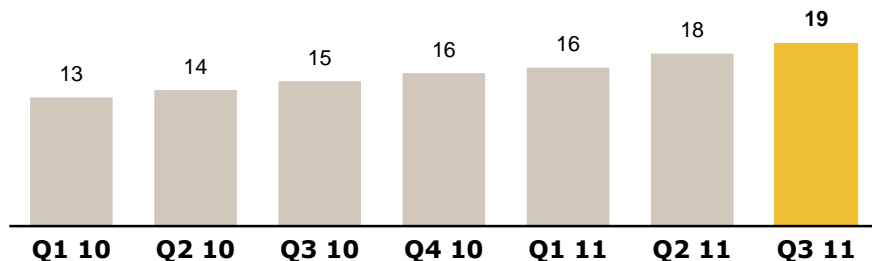
Revenues (USD billion)



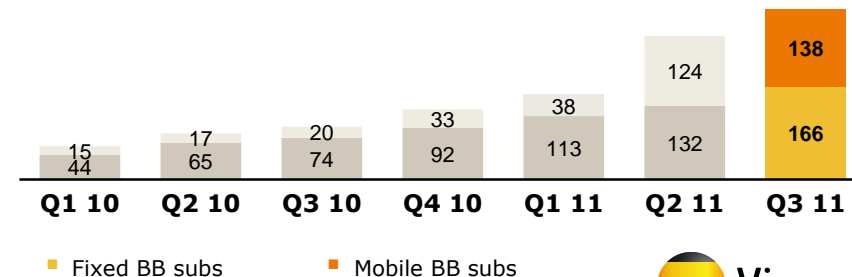
EBITDA and EBITDA Margin (USD billion)



Mobile subscribers (million)



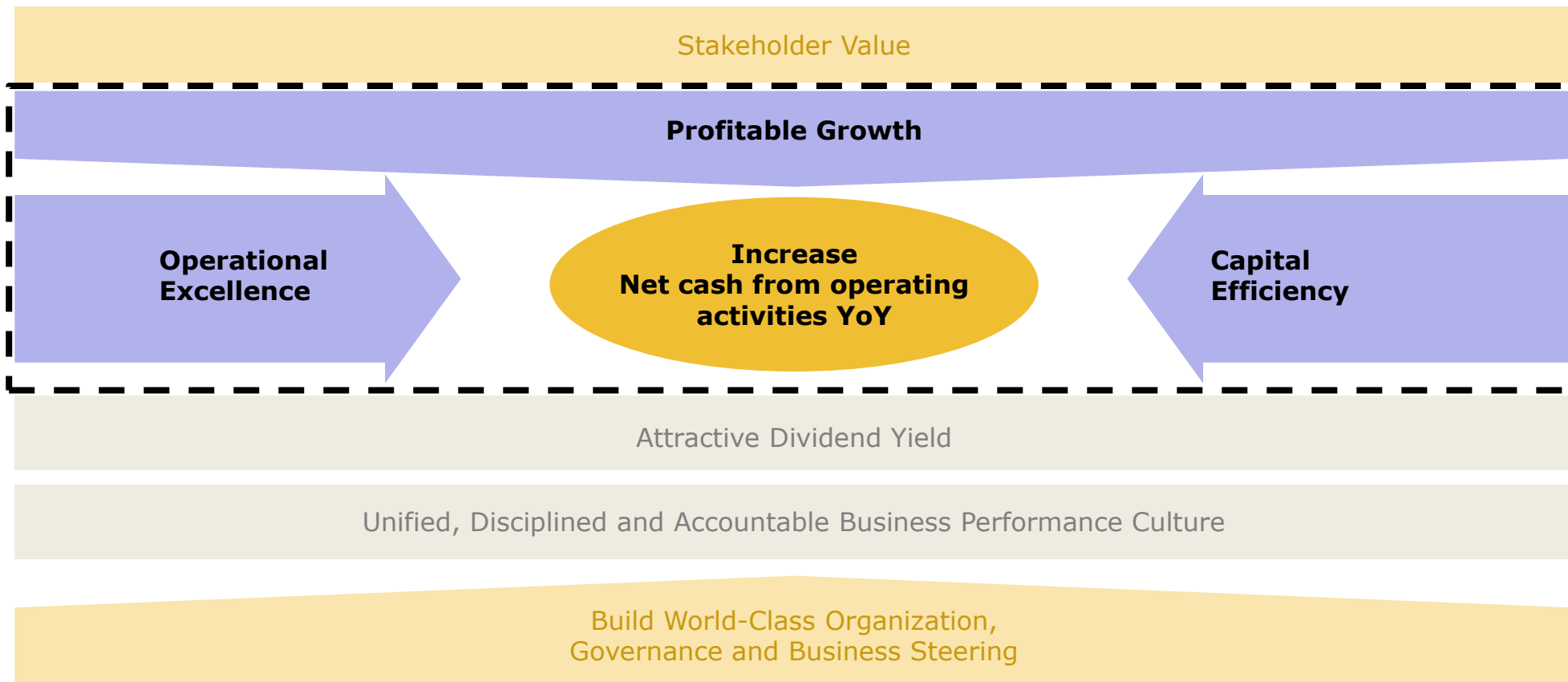
Broadband subscribers (thousands)



Addressing Current Situation

	Current Situation	Actions
<p>Revenues</p> <p>↓</p> <p>Gross Margin</p> <p>↓</p> <p>Opex</p> <p>Technical</p> <p>Commercial</p> <p>Other</p> <p>↓</p> <p>EBITDA</p>	<ul style="list-style-type: none"> • Growth in revenue is in line with the market, but it is not fully translated into margins as APPM reduction puts pressure on gross margin 	<ul style="list-style-type: none"> • Driving market growth, targeting leadership in data on most markets • Create customer experience through developing localized infotainment content and data applications supported with strong push of branded devices
	<ul style="list-style-type: none"> • Gross Margin is also impacted by Interconnect rate variations and customer device margin 	<ul style="list-style-type: none"> • Focusing on convergent services in both B2B and B2C segments in Kazakhstan, Uzbekistan and Armenia
	<ul style="list-style-type: none"> • Optimal balance between growth and Opex efficiency 	<ul style="list-style-type: none"> • Balanced Device Strategy and GR policy • Running operational excellence program aiming to bring cost savings and improve free cash flow
	<ul style="list-style-type: none"> • Acceleration and diversification in network construction drives maintenance costs up 	<ul style="list-style-type: none"> • Cost effective 2G solutions to maintain voice as the main revenue stream
	<ul style="list-style-type: none"> • SAC growth along with the Subs base growth 	<ul style="list-style-type: none"> • Increase revenue sharing in dealer commissions to link acquisition cost with the quality of new adds
	<ul style="list-style-type: none"> • Customer retention becomes key on more saturated markets 	<ul style="list-style-type: none"> • Automated solutions for customer support based on native languages

Focus in Value Agenda 2012-2014





1 Profitable Growth

CIS - Growth Engine

- Large addressable market
- Growing penetration
- Untapped growth in mobile data
- High revenue growth

Core strategic objective is to achieve sustainable growth together with Opex/Capex efficiency

Matured revenue streams – focus on margin and cash flow

Growing revenue streams – capture market share

Products

Approach

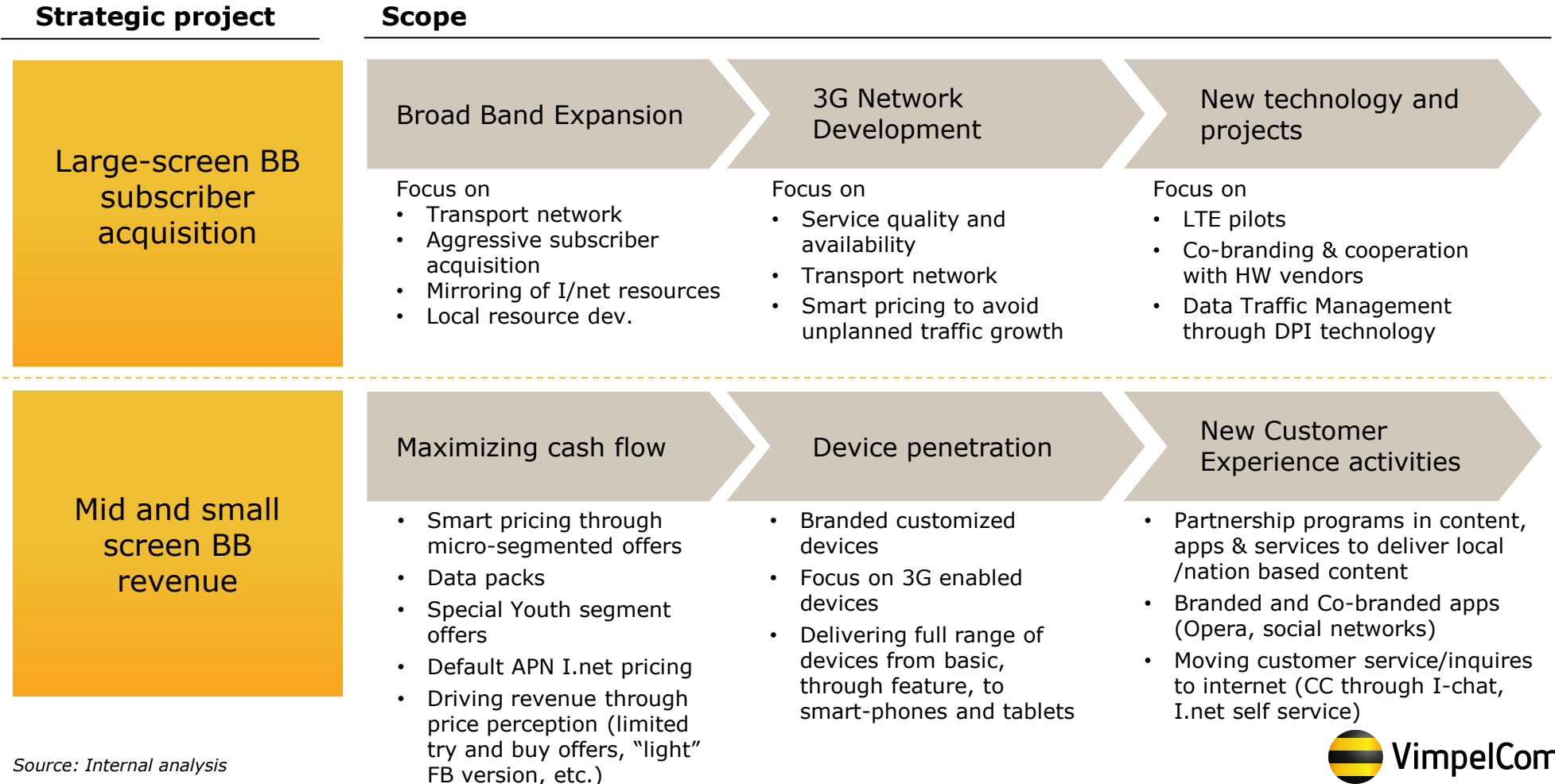
- Mobile Voice + messaging
 - Fixed voice
 - Wholesale
 - Sales and Distribution – New channels & regional approach
- Further growth of revenue and usage through segmented approach in B2C and B2B offers
 - Focus on margin and cash flow
 - Existing subs development & retention through TM and Loyalty programs
 - Fixed BB\Mobile BB\Voice bundles to secure share of wallet

- Mobile Data
 - Fixed data (FTTB) IP VPN and IPTV
 - Mobile VAS
- Driving market growth, targeting leadership in data on most markets
 - Create customer experience through developing infotainment content and applications supported with strong push of branded devices
 - Focusing on M2M products (devices and services) in B2B segment



1 Profitable Growth

Most important strategic streams development - Internet & Data BB/Device strategies

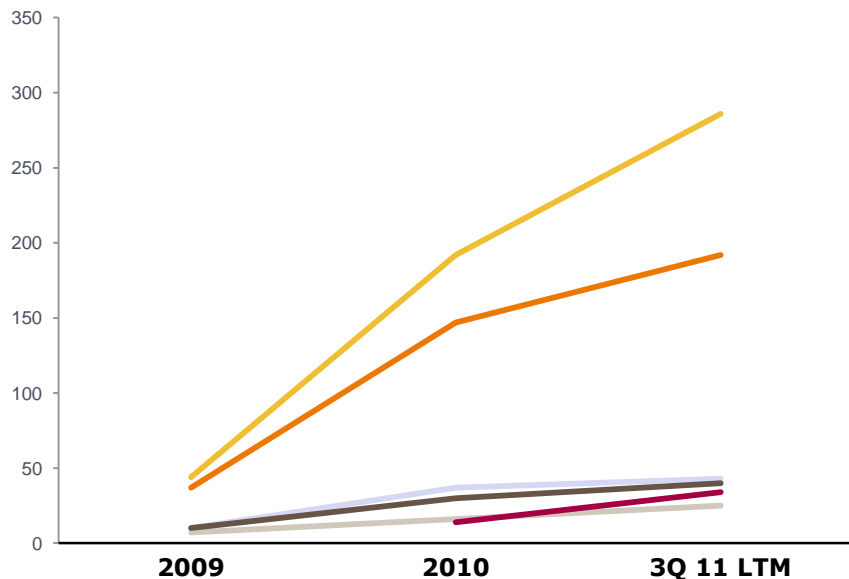


© VimpelCom Ltd 2011

3 Capital Efficiency



CAPEX CIS by OpCo (USD million)



■ Kazakhstan ■ Tajikistan ■ Armenia
■ Uzbekistan ■ Georgia ■ Kyrgyzstan

- CAPEX to revenue ratio is a good proxy for measuring CAPEX efficiency on matured markets
- Underinvestment during 2008-2009 crisis and rapid data development is a reason for considerable investment activity in 2011-2012 for CIS
- Key areas for investment are
 - ▶ Accelerated 3G rollout to support demand for mobile data
 - ▶ New roll-out and expansion to reach parity with competitors on key markets
 - ▶ New data technology implementation and piloting, IP TN deployment to win leadership in perception and finally in data revenue
- Cost effective 2G solutions to maintain voice as the main revenue stream
- Synergies in prices and technologies to improve efficiency and returns

Conclusions

- CIS is still a growth market with penetration below 100% in most of the countries
- Relatively low data usage creates promising prospects
- Attractive market for international competition
- High level of interconnection between CIS countries creates synergy
- Optimal balance between capturing market share and maintain margin to provide sustainable growth
- Strategy focus on Capex and Opex efficiency and sustainable cash flow

Disclaimer

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 the Company's strategy, development plans and anticipated performance. The forward-looking statements are based on management's best assessment of the Company's strategic and financial position, and 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 the markets in which the Company operates, unforeseen developments from competition, governmental regulation of the telecommunications industries and general political uncertainties in the markets in which the Company operates and/or litigation with third parties. The actual outcome may also differ materially if the Company is unable to obtain all necessary corporate approvals relating to its business, if the Company is unable to successfully integrate newly-acquired businesses and other factors. There can be no assurance that these risks and uncertainties will not have a material adverse effect on the Company, that the Company will be able to grow or that it will be successful in executing its strategy and development plans. 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, 2010 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. VimpelCom disclaims any obligation to update developments of these risk factors or to announce publicly any revision to any of the forward-looking statements contained herein, or to make corrections to reflect future events or developments.