



Passionate about
our **Future**
20 years of connecting people



Proud of our past...

VimpelCom was founded in 1992, with the aim of enabling customers to embrace the freedom of communication.



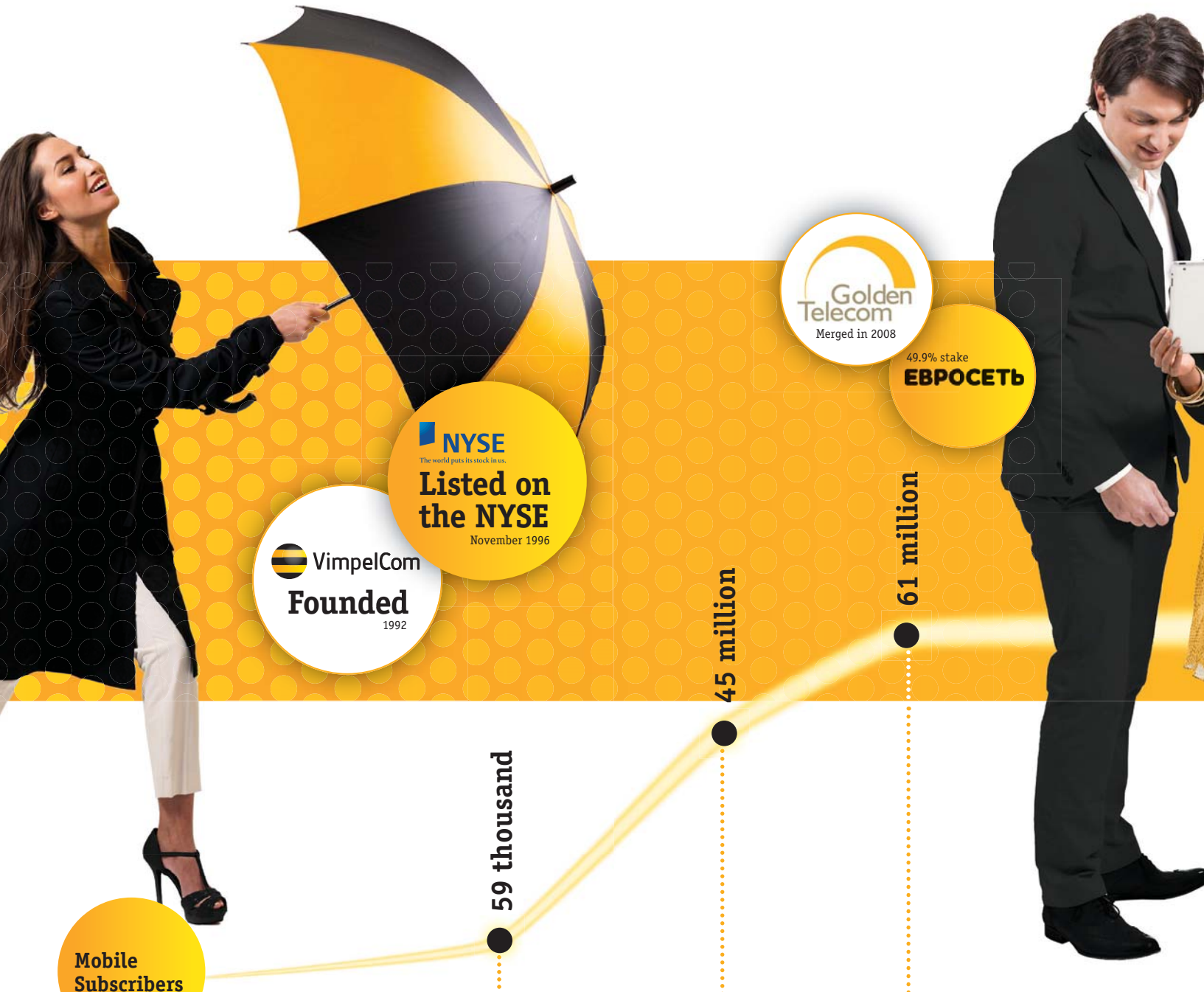
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20 years of
connecting people



20 years connected



1992

- VimpelCom founded by a Russian scientist and an American entrepreneur
- Company registered as a joint stock company

1996

- First Russian company to list on the New York Stock Exchange (NYSE)

2005

- A successful re-branding campaign completed

2008

- Merger with Golden Telecom completed – enhancing integrated telecommunications and internet services in Russia and the CIS
- 49.9% stake in Euroset, the largest mobile retailer in Russia and the CIS, acquired

 **VimpelCom**
Founded
1992

 **NYSE**
The world puts its stock in us.
Listed on the NYSE
November 1996

 **Golden Telecom**
Merged in 2008

49.9% stake
ЕВРОСЕТЬ



93 million

KYIVSTAR
Merged in 2010

2010

- VimpelCom and Kyivstar merged into a new entity VimpelCom Ltd.
- Headquarters moved to Amsterdam

205 million

WIND
Acquired
2011

2011

- VimpelCom acquires Wind Telecom
- Mobile subscriber base surpassed 200m mark in October
- Announcement of The Value Agenda

214 million subscribers



50% ownership
EBPOCETB
2012

2012

- Sale of joint venture stake in GTEC-Mobile (Vietnam)
- Increase to 50.0% of ownership interest in Euroset

Passionate about our future

VimpelCom has been providing telecommunications products and services for 20 years and is passionate about its future. In 2012 we focused on delivering profitable growth, expanding the technological and geographical reach of the Company, and providing an outstanding experience for our customers – continuing to create value by delivering results for all of our stakeholders, and shaping the way for the next stage of VimpelCom’s journey.



**See our
milestones**

Focusing Locally, Empowering People, Connecting Globally

VimpelCom is one of the world's largest integrated telecommunications services operators providing voice and data services through a range of traditional and broadband mobile and fixed technologies in 18 countries covering territory with a total population of approximately 767 million people.

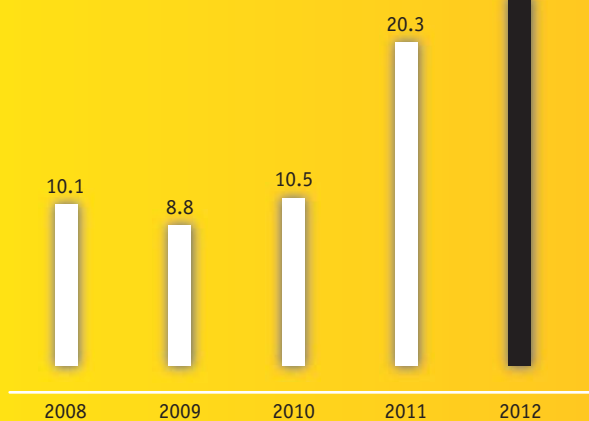
The Company's management and reporting structure is divided into five business units – Russia, Europe & North America, Africa & Asia, Ukraine and the Commonwealth of Independent States (CIS), all of which report to the Company's headquarters in Amsterdam. VimpelCom Ltd. is listed on the New York Stock Exchange under the symbol "VIP".

With annual 2012 revenue of USD 23.1 billion, EBITDA of USD 9.8 billion, and a mobile subscriber base of 214 million (as of December 31, 2012), we are one of the largest telecommunications companies in the industry and have established the scale for successful growth and development of our group going forward.

Record performance

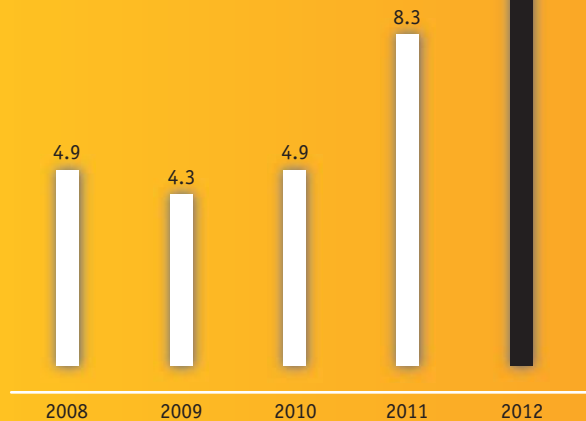
Total operating revenues (US\$ bln)
Actual

US\$ 23.1bln



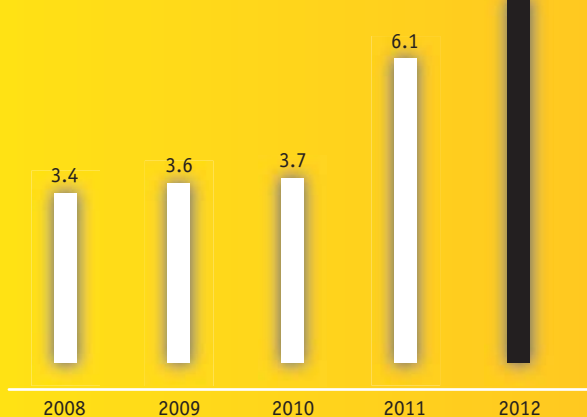
EBITDA (US\$ bln)
Actual

US\$ 9.8bln



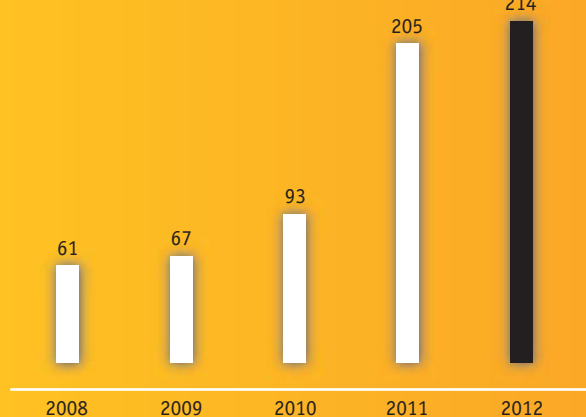
Net cash from operating activities (US\$ bln)
Actual

US\$ 7.3bln



Mobile subscribers (millions)








214mln



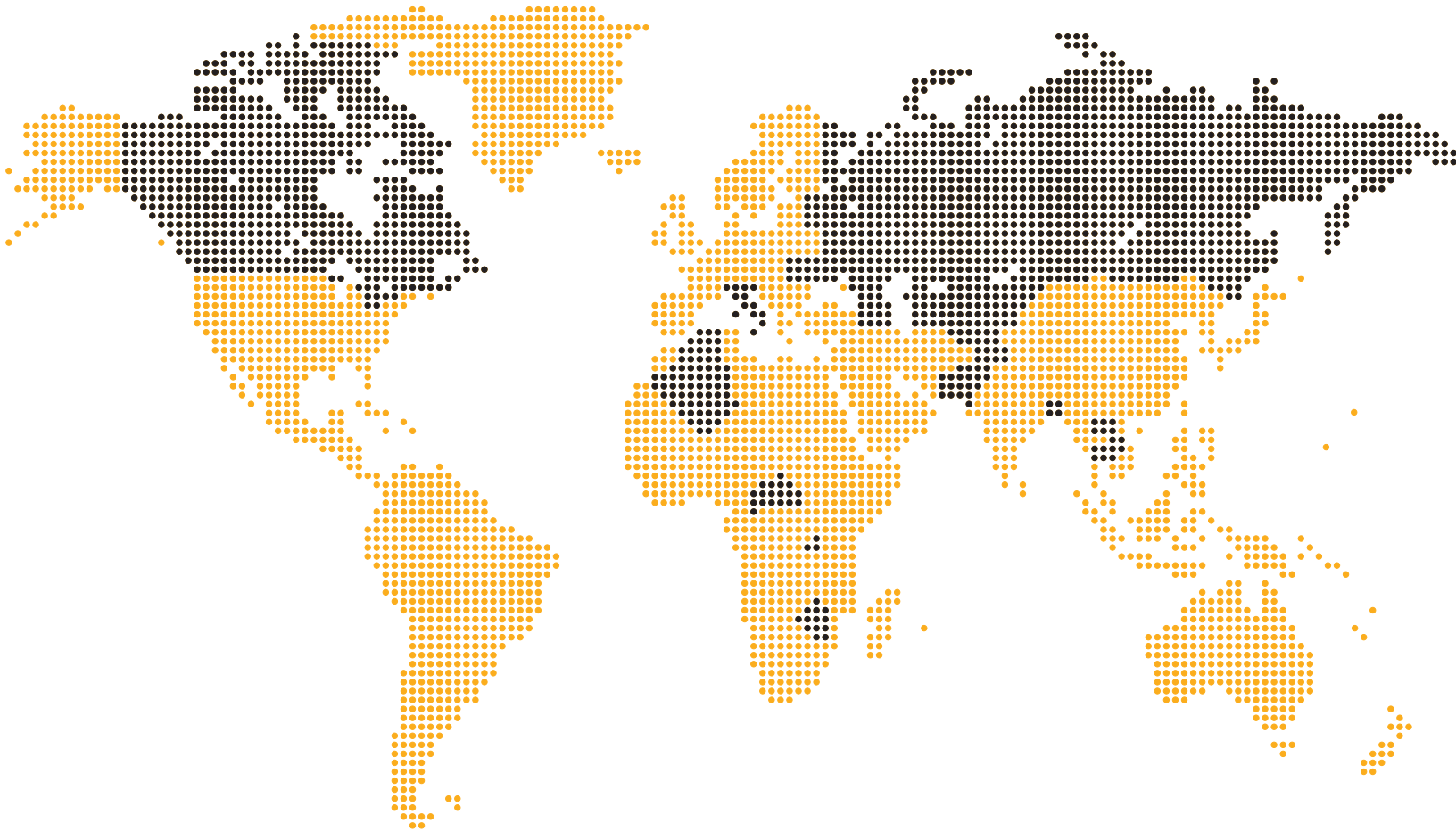
Note: 2008 figures are based on US GAAP, while 2009, 2010, 2011 and 2012 are based on IFRS

Growing in growing markets

One international group with strong local businesses

Our Markets	Cluster 1		Cluster 2				
	Russia	Italy	Algeria	Kazakhstan	Kyrgyzstan	Armenia	Tajikistan
Population (millions)	142.6	60.9	36.7	16.5	5.5	3.1	7.1
GDP/capita PPP (USD)	17,700	30,100	7,500	13,900	2,400	5,600	2,200
Real GDP growth (%)	3.4%	-2.3%	2.6%	5.0%	1.0%	3.8%	7.5%
Our operations							
Key Brands	 Beeline®		 DJEZZY L'Algérie تعيش	 Beeline®	 Beeline®	 Beeline®	 Beeline®
Our position							
Market position	3	3	1	2	2	2	4
Our strategic focus							
	Increase profit and cash generation		Growth Engine				
More information	beeline.ru	windgroup.it	djezzygsm.com	beeline.kz	beeline.kg	beeline.am	beeline.tj

Source: For population, Informa Telecoms & Media. 2013 Informa Telecoms & Media. All rights reserved, as of December 31, 2012.
Source: For GDP/capita and Real GDP growth CIA The World Factbook



- Countries with operations
- No presence

Cluster 3

Georgia	Ukraine	Pakistan	Bangladesh	Uzbekistan	Canada	Laos	Cambodia	Burundi	CAR	Zimbabwe
4.3	44.8	181.6	153.5	28.3	34.8	6.4	14.6	8.8	4.6	13.3
5,900	7,600	2,900	2,000	3,500	41,500	3,000	2,400	600	800	500
6.1%	0.2%	3.7%	6.1%	8.2%	1.9%	8.3%	6.6%	4.2%	4.1%	5.0%



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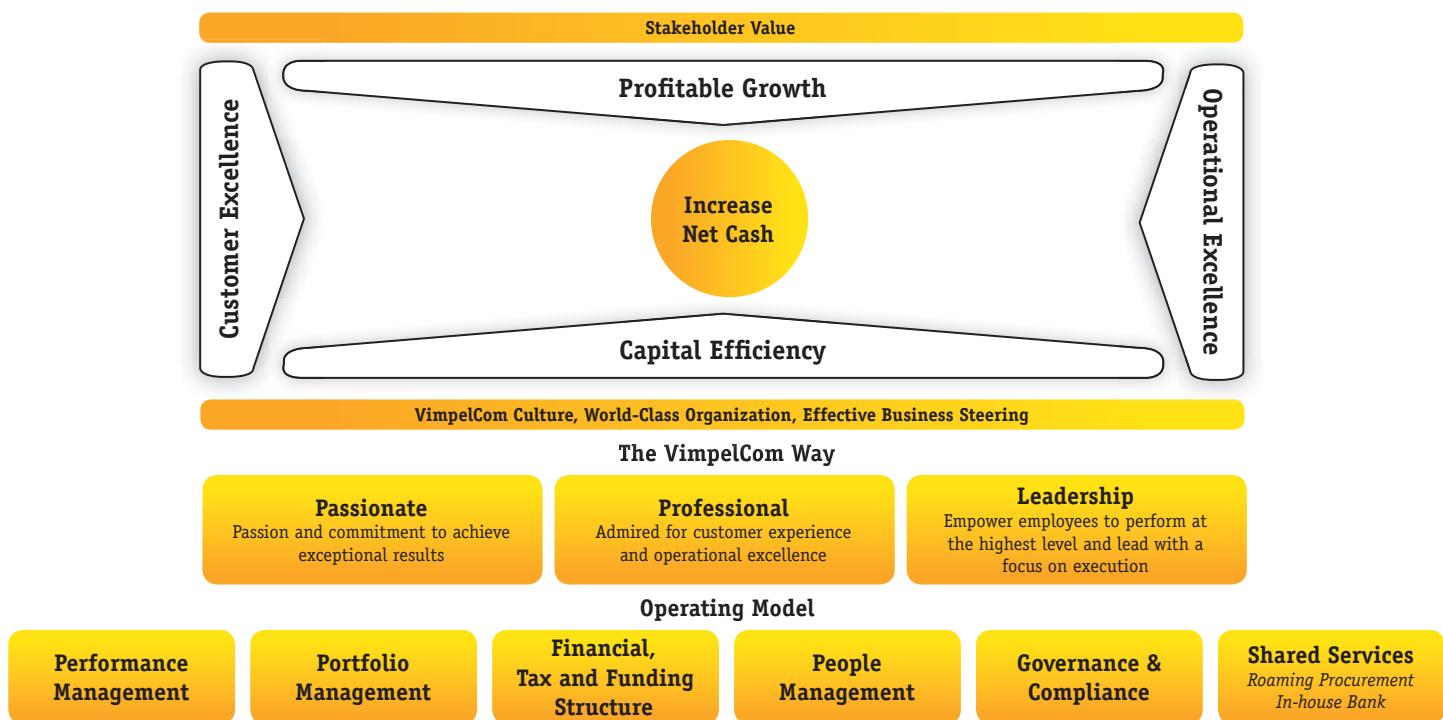
4 3 5 1 1 2

Portfolio contribution analysis

beeline.ge kyivstar.ua mobilinkgsm.com banglalinkgsm.com beeline.uz

windmobile.ca beeline.la beeline.com.kh www.leo.bi orascomtelecom.com telecelzim.co.zw

Growing our position



Core points of our strategy:

- VimpelCom is a mobile-driven company with a select presence in fixed-line. We strive to delight our customers by connecting people around the globe.
- Our businesses combine mature sophisticated markets with emerging growth opportunities in a number of regions.
- We believe that all business is local and starts with our customers. We seek to drive profitable growth in mobile data, fixed data and mobile voice, by tailoring our strategy in each individual market according to the needs of our customers and the development characteristics of each market.
- Our business strategy is focused on increasing cash flows and generating returns to our shareholders. This will be achieved by the following four main pillars:
 - Profitable Growth
 - Customer Excellence
 - Operational Excellence
 - Capital Efficiency

Key Strategic Points – VimpelCom’s Value Agenda

VimpelCom’s strategy, or “Value Agenda”, is focused on increasing cash flows by combining the Company’s strong and growing positions

in mobile businesses with a selective presence in fixed-line to further support its growth as mobile services continue to expand across the Company’s markets. We have a fundamental belief in a decentralized business model. We seek to capture profitable growth in mobile data, fixed data and mobile voice, by tailoring our strategy in each individual market according to its development characteristics.

We believe mobile broadband is the main access in the future and LTE will be the enabler and a game changer. As such, we define ourselves as a mobile-focused Company and we prioritize resources and investment allocation to mobile capacity and coverage. In mobile data in particular, our focus will be on capturing the growth in this segment of the market by moving away from unlimited plans to tiered pricing, rationally managing traffic and differentiating our services through more sophisticated offerings.

This broader view of the business provides the basis for our “Value Agenda” which is based on local empowerment and starts with the company’s 214 million customers as of December 31, 2012. Our focus remains on delivering excellence to our customers. We have implemented a passionate, performance oriented culture with a key focus on operations and execution at the business unit level. At the Group level, we remain a lean organization focused on value creation through performance management, portfolio management, financial structure optimization, and shared services such as roaming and procurement.

Our Value Agenda, which is focused on increasing Net Cash from Operating Activities, has the following four key pillars supported by clear operational strategies executed within each of our business units.

- **Profitable Growth.** We aim to drive revenue growth that leads to profitability by focusing on gaining share in mobile data revenues and capitalizing on areas such as Mobile Financial Services and partnerships with OTT players, while limiting cost of traffic. Increasing mobile data revenues will be achieved by driving smartphone and tablet penetration through strong local distribution. We are also introducing value based commissioning, promoting tiered pricing for speed and time of data, partnering with internet players and improving network quality. We believe effective deployment of integrated bundles will allow us to monetize the strong growth in mobile data.
- **Customer Excellence.** We are committed to creating a superior customer experience, optimizing distribution and developing superior pricing capabilities. We undertake a systematic effort involving dedicated analytics and research to continuously optimize the customer experience. We will drive superior pricing through integrated bundles that combine traditional voice with SMS and, most importantly, data. This will provide value to the customer while at the same time protecting our revenue stream from cannibalization amongst various services, such as SMS and IM. Optimizing our distribution will consist of focusing on the most efficient channels in each market. Overall, we also expect these actions to reduce churn and limit our retention and commercial costs.
- **Operational Excellence.** Operational excellence and operational cost management represent a company-wide strategy and it is implemented at all levels of the organization. We are taking a holistic approach covering all of the Company's processes at both the Group and business unit level and implementing a continuous improvement culture across our businesses.
- **Capital Efficiency.** Our goal is to reduce the ratio of our capital expenditure to revenues over time by deploying capital more efficiently through increased network sharing, continued business portfolio optimization and optimizing capital structure. Network outsourcing is an important element of improving our CAPEX efficiency and we are implementing more advanced outsourcing agreements that will ultimately drive both network utilization and quality. We also have a center led procurement model that provides advantages both at the Group and local level. Finally, within our finance function, we have implemented a systematic approach to managing working capital and optimizing our capital structure.

As a Group, VimpelCom offers a truly unique combination of mature, strong cash-generating companies and solid emerging growth opportunities. Our business largely comprises broadly three types of businesses grouped according to their stages of development:

- In our larger and more mature markets, Italy and Russia, we are focused on increasing profit and cash flow generation. These markets are highly penetrated, but have strong potential for broadband growth both in fixed and in mobile. Here, we will remain focused on reinforcing our solid market positions and sustained cash flow generation.
- We consider as our "growth engine" developing markets in Ukraine, CIS, Bangladesh, Pakistan and Algeria. These markets each have a large potential customer base, high revenue growth from relatively low penetration and significant growth potential for mobile data. In these markets, we will seek to leverage our knowledge and experience in Russia and Italy to capture this growth.
- Finally, we have early stage operations, such as in Canada and some Asian and African markets, which would require further investment to reach their full potential. We are performing a strategic contribution analysis of these operations.

Through the implementation of our strategy across our business and operating units, we aim to achieve the company's financial performance objectives from 2013 to 2015, including:

- Revenue and EBITDA CAGR of approximately mid-single digit;
- CAPEX / Revenue (excluding licenses) below 15% in 2015; and
- Net Debt / EBITDA below 2.0 in 2015.

The above objectives assume constant currency movements, no major regulatory changes, current asset portfolio mix and a stable macroeconomic environment.

As a result of the execution of the Value Agenda the Company indicated its intention to have annual cash flow improvements of USD 2 billion from operations and of between USD 0.6 billion and USD 0.9 billion from finance optimization by the end of 2015.

The company currently intends to make dividend payments of at least US\$ 0.80 per common share per annum assuming not more than 1,757 million common shares issued and outstanding and barring unforeseen circumstances. For current information on our dividend policy, please refer to www.vimpelcom.com.

Strategy in action

Key highlights for 2012



Wearing the customer's shoes in Ukraine

Kyivstar leadership team experience the full customer journey in order to identify ways to improve customer service.



Group-wide

Partnerships with internet services like Facebook, Google Play, Wikipedia or Windows Phone to offer the best integrated experience with VimpelCom mobile service.



Launch of MyWind in Italy

Manage account and services directly from your smartphone. More than 1m downloads since launch in 2012.





**Banglalink focused
on customer care**

Voted best customer care
in the country.

Dear fellow stakeholder...



Alexey M. Reznikovich

2012 was a milestone year for VimpelCom. We celebrated our 20th anniversary and made remarkable strategic progress, cementing our position as one of the leading telecom operators in the world.

We remained committed to providing the best customer experience for our clients. VimpelCom invested USD 4 billion in network upgrades in order to satisfy the growing demand for mobile data services and on the further rollout of mobile networks.

As part of our core offering, VimpelCom focused on mobile access while embracing new partnerships with global Internet companies. These partnerships provide us with an opportunity to enhance the service offerings for our customers and to strengthen our customers' user experience. We signed several major agreements, including agreements to launch free mobile Wikipedia access with Wikimedia Foundation, to give our customers free mobile access to Facebook and dedicated access to the Google Play store to allow our customers to navigate millions of apps, games and songs, and to pay for purchases using their mobile accounts. VimpelCom also started offering mobile web browsing enabled by Opera Software, a special mini browser that allows a simple and cost-effective way to use Internet via a mobile device.

Last year, we continued to execute on our strategy, the Value Agenda. We achieved 5% growth in our subscriber base which reached the 214 million mark. By focusing on profitable growth we generated 4% organic growth in revenues, reaching USD 23.1 billion, while achieving 8% organic growth in EBITDA to USD 9.8 billion. This resulted in an increase of the EBITDA margin by 1.8 percentage points to 42.4%. All business units contributed to this strong organic performance. We leveraged our deep local market expertise and leading market positions to contribute to the overall value creation. In Russia, we witnessed a turnaround in the business unit's performance and realized more than double the initial target of RUB 5 billion in annualized savings. The Russian business unit generated 7% organic growth in revenues, 13% organic growth in EBITDA and had an impressive 2.1 percentage points rise in EBITDA margin. Improving network quality remained our priority, and we will continue to make large investments into our mobile network in 2013. In Italy, WIND continued to outperform the competition and gained market share. We were able to substantially offset the impact of MTR cuts by implementing operational excellence and capital efficiency programs. In the Africa and Asia business unit, VimpelCom achieved organic growth of 9% in revenues and organic growth in EBITDA of 15%. These results were driven by strong subscriber growth to more than 85 million. The Ukrainian business unit continued to solidify its leading market position in the mobile segment through its on-going transition to bundled tariff plans. The CIS business unit again delivered double digit organic revenue growth.

Following the end of the year we enhanced our Value Agenda for 2013 – 2015 with four main blocks: Profitable Growth, Customer Excellence, Operational Excellence and Capital Efficiency. Our objectives are to grow revenue and EBITDA with mid-single digit CAGR, reduce the leverage of Net Debt to EBITDA to below 2x in 2015 and to lower CAPEX to Revenues, excluding licenses, to below 15% in 2015. As a result of the execution of the Value Agenda we indicated our intention to have annual cash flow improvements of

USD 2 billion from operations and of between USD 600 million and USD 900 million from finance optimization by the end of 2015. We will continue to empower our people to provide a great customer experience to our clients and focus on exceeding our customers' expectations. The four main building blocks underscore our efforts to generate further value for our shareholders.

We have strengthened our management team and established a fully functional global headquarter in Amsterdam to continue delivering superior results and executing on our Value Agenda. Jan Edvard Thygesen joined VimpelCom as COO and deputy CEO; Anton Kudryashov became Group Executive VP and Head of Russia; and Maximo Ibarra joined as Group Executive VP and Head of Italy.

In 2012, VimpelCom conducted a detailed review of our business portfolio with the aim of optimizing the Group's assets and aligning the portfolio with our long term goals. Following this review VimpelCom disposed of its operations in Vietnam.

In December 2012, the Annual General Meeting of shareholders re-elected the Supervisory Board. The nine member Board includes two independent directors.

In December 2012, VimpelCom received a notice that on April 16, 2013 Altimo intends to convert 128,532,000 convertible preferred shares of the Company into common shares at a 1:1 ratio. Based on the announced conversion premium, the Company expects to receive approximately USD 1.4 billion for the conversion.

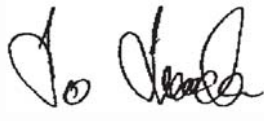
We continued to deliver on our commitment to return profits to shareholders by announcing a final dividend for 2011 of USD 0.35 per common share and an interim dividend for 2012 of USD 0.45 per common share in December 2012. We made an aggregate dividend payment of USD 1.3 billion. Our dividend policy is to pay annual dividends of at least USD 0.80 per common share.

To conclude, 2012 was a remarkable year for VimpelCom. Operationally we are stronger than the previous year. We have achieved strong organic performance and profitable growth. We celebrated our 20th anniversary of long-term success, outstanding achievements and innovation in telecommunications. We started as a small company, set up by two entrepreneurs, and we grew into one diversified global platform, supporting 214 million subscribers globally. Looking forward, we expect to continue to deliver results in line with our enhanced Value Agenda objectives for 2013-2015.

Thank you for joining us on this journey.



Alexey M. Reznikovich
Chairman of the
Supervisory Board



Jo Lunder
Chief Executive Officer



Jo Lunder

"2012 was a remarkable year for VimpelCom... with strong performance and profitable growth."

Russia

Key Facts

Summary Financial

RUB mln	2012	2011	YoY
Revenue	285,375	266,087	7%
EBITDA	120,478	106,681	13%
EBITDA margin	42.2%	40.1%	
Mobile subscribers ('000)	56,110	57,224	-2%
Fixed broadband subscribers ('000)	2,378	2,073	15%

Business Unit Strategy

VimpelCom's goal in Russia is to reach sustainable profitable growth by leveraging all revenue streams and increasing operational efficiency, while reducing churn and cost of sales. To achieve these goals, the Company launched thoroughly designed initiatives, including Operational Excellence and Customer Experience programs targeted to deliver results at multiple levels of the business structure.

Priorities

- Enhance network capacity and quality
- Create lean and cost-efficient operations
- Reduce churn and increase customer loyalty
- Invest in new pockets of growth



Anton Kudryashov
Head of the Russia Business Unit

"VimpelCom demonstrated an operational turnaround in 2012, driven by our increased focus on profitable growth and increasing net cash. We plan to continue strong execution of our Value Agenda in the coming years, which we believe will create additional value for VimpelCom's stakeholders."

Mobile Internet continues to be one of the fastest growing revenue streams

30% CAGR

Mobile Internet expected to grow in 2012-15*

* Source: Company estimates.

The year in review

VimpelCom demonstrated positive developments in operating performance in 2012 as the Company continued to execute on its strategy to deliver profitable growth.

In 2012, total revenue in Russia increased a solid 7% to RUB 285.4 billion and EBITDA grew strongly by 13% to RUB 120.5 billion. EBITDA margin improved to 42.2%, an increase of 2.1 percentage points. This improvement was driven by strong execution of the Company's Operational Excellence program, which delivered stronger results than expected and more than doubled its initial target of RUB 5 billion in annualized savings. Cost and other efficiencies were achieved by reducing commercial costs through introduction of a revenue sharing model with our distributors, completion of projects related to network maintenance, outsourcing and network sharing, and optimization of organizational structure. More operational excellence initiatives have been launched in 2013, with others expected throughout the year.

Mobile revenues were supported by a continued uplift in mobile data usage during 2012, with mobile data revenues increasing 38% to RUB 24.3 billion driven by an 83% increase in mobile data traffic. VimpelCom's initiatives to stimulate data usage for small and medium screen users by promoting bundles resulted in a strong increase in bundle subscribers to 2.1 million. The Company continues to improve network quality in order to support the growth of mobile data customers and offer the best customer experience by optimizing and accelerating roll out of the network. Additionally, on July 12, 2012, VimpelCom was awarded a license to provide services over the LTE standard within the radio frequency band of 813.5-821/854.5-862MHz across Russia. VimpelCom has already commenced modernization of its network to make it LTE-compatible. The Company expects to offer up-to-date, customized services with high-speed Internet access to its customers on cutting-edge 4G technology and to launch LTE in Moscow and six Russian regions in 2013.

Fixed Broadband revenues increased by 35% in 2012 to RUB 11.7 billion as a result of the growth in the fixed-line broadband subscriber base of 15%, to more than 2.3 million subscribers. As a result of the Company's Operational Excellence program, efficiency of the FTTB business increased and EBITDA margin improved. In this segment, VimpelCom is focusing on improving customer value by offering value-added services like IPTV in addition to basic fixed-line Internet access.

In December 2012, VimpelCom increased its stake in Russian mobile retailer Euroset to 50.0% by acquiring 0.1% of Euroset. As a result, VimpelCom and Lefbord, a company owned by Megafon and Garsdale Services Investment, have equal economic and governance rights in Euroset. The increased stake will enable VimpelCom to increase the efficiency of its distribution model, in particular by optimizing its dealer commission structure and introducing a full revenue sharing agreement.

Focus on ensuring sustainable profitable growth

One of the pillars of VimpelCom's strategy is focused on achieving sustainable profitable growth in the Russian market. The Company believes this can be realized by:

- Improving margins through the promotion of higher margin data service revenue streams and rebalancing tariff plans in favor of on-net calls and bundled offerings;
- Growing the number of own monobrand stores in order to serve customers better, increasing smartphone penetration and stimulating data usage;
- Increasing customer loyalty through improvements in network quality, enhancing the Beeline brand and upgrading customer service through the customer experience program; and
- Improving productivity and operations through initiatives in the Value Agenda, including on-going and new initiatives in the Operational Excellence program.

Opportunities for the future

The Value Agenda for 2013-2015 in Russia is based on the four key pillars targeted at increasing net cash flow from operations:

Customer Excellence

VimpelCom has established Customer Excellence as a key strategic priority and, to that end, launched a comprehensive Customer Experience Program aimed at increasing customer loyalty. This program, among others, is focused on improving network quality, customer care and our offerings to subscribers, all of which are designed to increase customer satisfaction across our products and services in all business segments.

Operational Excellence

Going forward, we will continue initiatives in our Operational Excellence program aimed at curtailing costs in the areas of marketing, financial and support, technical and IT, human resources, B2B and B2C.

Profitable Growth

VimpelCom's profitable growth strategy is centered on mobile data revenues from small and medium screens, the most attractive segment in terms of growth rates and capital returns. The roll out of the self-owned monobrand store network to 1,200 stores in 2013 from 400 in 2012 will support our mobile data strategy, along with the introduction of smart data pricing through the offering of bundled tariff plans.

An additional pocket of profitable growth and the fastest growing segment in mobile is Mobile Financial Services. In this field, VimpelCom has a partnership with Alfa Bank under the brand RURU and is active in remote payments and proximity payments. Additionally, RURU offers co-branded credit cards. Finally, the introduction of various OTT services offers another pocket of profitable growth. VimpelCom established collaborative partnerships with Google Play, Facebook, Microsoft and Opera Mini, and now offers direct billing with key OTT application store players.

Capital Efficiency

Our network is the biggest item on the cost side, so this deserves the Company's focus. Network sharing remains the main project in the coming years, next to other efficiency projects in this area such as implementation of new technologies, procurement and logistics optimization.

Europe & North America

Key Facts

Summary Financial

EUR mln	2012	2011	YoY
Total Revenue	5,427	5,570	-2.6%
EBITDA	2,062	2,120	-2.7%
EBITDA margin	38.0%	38.1%	
Mobile Subscribers ('000)	21,650	21,014	+3%
Fixed Voice Subscribers ('000)	3,110	3,142	-1%
Fixed Broadband Subscribers ('000)	2,210	2,135	+3.5%

Business Unit Strategy

In Italy we aim to increase the Company's revenue market share and to focus on high margins and cash flow generation. We will focus on growing our market share where we have less than our fair share, expanding and capturing the opportunities offered by mobile Internet and mobile data, and strengthening our presence in the SME/SOHO segment. These initiatives will be supported by our "smart, value for money" positioning characterized by simple and transparent tariffs, investments in network, distribution and brand. In Canada, our goal is to provide a value for money alternative to the incumbent operators by offering a nationwide high quality and affordable mobile service.

Priorities in Italy

- Create superior customer experience and clear offering positioning in order to deliver Customer Excellence
- Continue to outperform market in mobile data in order to deliver Profitable Growth
- Drive cost efficiency through initiatives such as "Network Transformation Project" and "Build The Network Project" in order to deliver Operational Excellence
- Network sharing in order to deliver Capital Efficiency



Maximo Ibarra
Head of Italy

"2012 was yet another strong year for WIND in which we managed to further consolidate our position in the mobile and fixed-line segment despite a challenging environment. We continue to explore and develop new areas of growth in the market in particular in mobile data, high value post-paid mobile offerings and in the SME/SOHO segments. At the same time we remain committed to maintaining our best in class customer satisfaction through all touch points and continuing to invest in our network in order to deliver an excellent experience in broadband."

Mobile Internet revenue increased by 41.3% in 2012 coupled with a 9.3% increase in revenues from traditional data services

5% increase YoY

Fixed Broadband revenue up 5% YoY

Year in review

WIND strengthened its competitive position in both mobile and fixed-line services in Italy in 2012 delivering solid results despite on-going competitive pressure, regulatory headwinds and macroeconomic uncertainties. The WIND brand is increasingly associated with the values of simplicity, transparency and innovation, its "smart value for money" positioning, which enabled the Company to outperform its competitors in 2012. Also thanks to the "All Inclusive" umbrella concept and the advertising slogan "Minuto vero" (effective per second billing). In 2012 WIND achieved 64% share of mobile network operator market net adds in Italy.

WIND's revenues in 2012 declined 2.6% over 2011 reaching EUR 5.4 billion; the decline was mainly due to the 53% cut in termination rates in July 2012, net of which, total revenues would have increased by 2%. EBITDA declined over the previous year mainly related to the service revenues pressure and increase in energy related to OPEX, partially offset by positive effect of MTR on costs and efficiency on advertising spend. EBITDA margin remained stable at a solid 38% YoY. As part of the Operational Excellence program, WIND launched its Network Transformation Project aimed at achieving OPEX savings of approximately EUR 40-45 million per annum starting from 2013. In late December, WIND signed an agreement with one vendor for the "Build the Network Project" aimed at delivering CAPEX savings of approximately EUR 40 million in 2013 in relation to the network build out services.

Additionally, in 2012, WIND continued to invest in key strategic areas primarily related to the strong growth opportunity in data services. Investments included further expansion of HSPA+ mobile data network coverage and capacity as well as increasing backhaul capacity to serve the strong growth in mobile and fixed data. As a result of the above, WIND was able to deliver a 2.8% increase in EBITDA-CAPEX over 2011 and going forward will continue to focus on delivering profitable growth.

WIND ended 2012 with over 21.6 million mobile subscribers, 3.1 million fixed-line voice subscribers and 2.2 million fixed Broadband subscribers. In mobile, growth was driven by the strong commercial success of the "All Inclusive" offerings. A key driver was also mobile Internet, which continued to deliver impressive growth as new devices, such as smartphones and tablets, become widespread. In fixed-line, 2012 saw a slight decrease in customer base mainly due to the new strategy focused on more profitable LLU customers.

Focus on ensuring sustainable profitable growth

During the course of 2012, WIND delivered the best performance in the Italian market. WIND aims to continue delivering sustainable profitable growth going forward by maintaining its positioning in key areas and by selectively focusing on new growth areas, while at the same time maintaining its focus on operational excellence, through initiatives aimed at preserving its leadership in customer satisfaction and at achieving cost efficiencies.

Opportunities for the future

The Value Agenda for 2013 – 2015 for Italy is based on four pillars with the aim to increase Net Cash from operating activities:

Profitable Growth

WIND aims to continue delivering profitable growth going forward by maintaining its positioning in core products and services, keeping its leadership on pricing innovation and by focusing on new growth areas. In terms of growth opportunities we plan to increase our focus on select segments of the market where WIND currently has less than its fair share of the market. In particular, the corporate segment represents a key growth opportunity for WIND, especially for SME/SOHO's. We also aim to increase our share in certain geographic locations in Italy where the incumbents enjoy a stronger position by leveraging our strong distribution and brand. WIND will continue to develop new innovative services, such as Mobile Financial Services, and pursue social media opportunities.

Customer Excellence

WIND will continue to invest significant resources to maintaining its leadership in customer service, in order to confirm its top performance in overall customer satisfaction since 2008. WIND will maintain its focus on developing its "smart value for money" proposition and expand the "All Inclusive" concept to mobile (pre- and post-paid), fixed-line and Business segments. Starting from 2012 WIND changed its strategy in the fixed-line segment reducing its focus on indirect and de-focusing from push sales channels in order to acquire more LLU subscribers and improve marginality.

Operational Excellence

As part of the Operational Excellence program, WIND kicked-off a number of initiatives to further enhance the Company's efficiency. In 2012 WIND launched its Network Transformation Project in order to achieve OPEX savings, reducing network maintenance through an increase in productivity of network personnel and a general reduction of HR costs.

In late December, WIND signed an agreement with one vendor for the "Build the Network Project" aimed at delivering CAPEX savings. This will help our plan to effectively leverage our extensive network coverage to serve fixed-line, mobile and convergent strategies while unlocking value. These are only a few of the initiatives undertaken as part of the Cost Efficiency Project in WIND that will involve all areas, including advertising and real estate.

Capital Efficiency

WIND will continue to develop a site sharing program with other operators for new infrastructure deployed, including the infrastructure for LTE, in order to reduce OPEX and CAPEX. In the meanwhile WIND will continue to focus its investments in data services where its goal is to remain a leading player in this market by leveraging our extensive experience in the field coupled with future investments. The significant investments made in 2011 to acquire LTE/4G spectrum and the investments made in the network in 2012 are a clear indication of the importance of the mobile data story for WIND.

Africa & Asia

Business Unit Strategy

VimpelCom's Africa & Asia markets are characterized by low penetration levels, thereby affording it the greatest growth potential within the VimpelCom Group. The Company's key strategic focus in Africa & Asia is growth in mobile data, while, at the same time, the Company will continue to focus on capturing voice revenues with high organic growth potential going forward.

VimpelCom maintains strong leadership positions in its respective Africa & Asia markets which, in turn, provide a solid platform for profitable growth. As a result, the Africa & Asia business unit is able to manage its value strategy and implement mechanisms to improve efficiency in its businesses. Additionally, by leveraging VimpelCom Group's size, the Africa & Asia business unit is able to realize CAPEX efficiencies within its cost-optimization strategy.

Priorities

- Focus on mobile data opportunities with the deployment of 3G services
- Continuous focus on profitable top line growth and cost saving initiatives
- Defend market leadership in Algeria and Pakistan
- Tapping into new revenue sources in light of relatively low ARPU and purchasing power
- Expanding non-voice revenues, particularly in data and value added services
- Increasing network CAPEX and OPEX efficiency by modernizing networks



Ahmed Abou Doma

Head of the Africa & Asia Business Unit

"It was another exciting year for the Africa & Asia business unit, with our operations achieving profitable growth for 2012. Growth in subscribers in most of our markets were also very solid, with the business unit now serving over 85 million customers, an increase of 4% over 2011. Additionally, organic EBITDA grew an impressive 15%, surpassing revenue growth in most operations as a result of our focus on driving profitable growth, as well as our focus on operational excellence."

The year in review

VimpelCom's Africa & Asia business unit delivered significant profitable growth in 2012 driven by strong subscriber growth, mobile data, Value Added Services (VAS), increase in market penetration and a continued focus on operational efficiency.

Revenues in the Africa & Asia business unit achieved an organic growth of 9% for 2012, partially offsetting local currency devaluation against the US dollar primarily in the main operating countries of Algeria and Pakistan, which led to stable revenues in USD terms. EBITDA increased 15% organically, and it also increased by 11% in USD terms. EBITDA growth surpassed revenue growth in most operations, reflecting the success of ongoing operational excellence and cost saving initiatives.

In Algeria, the subscriber base increased 8% as Djezzy maintained its leadership market share position of 55%. Revenues increased 6% mainly driven by growth in the subscriber base, while EBITDA increased at a similar rate. Djezzy also celebrated its 10th anniversary in 2012.

In Pakistan, the subscriber base grew 6% mainly due to Mobilink's focus on voice, data and VAS offerings, as well as churn management. Revenues increased by 8% for the year primarily due to the increase in subscribers and churn management. EBITDA increased 14%, reflecting the impact of operational excellence initiatives coupled with the revenue growth.

In Bangladesh, the subscriber base increased 9%, while revenues grew 20% in 2012 driven by a higher level of VAS and data adoption, as well as targeted start-up and reactivation promotions. EBITDA increased by 26% for the year, primarily as a result of savings on commercial OPEX (SIM tax subsidy) during the fourth quarter of 2012, resulting from lower gross additions, following the implementation of a recently imposed post-sales activation process by the regulator (BTRC), while in the same period last year banglalink recorded high customer acquisition costs.

Telecel Globe subscribers increased 42% primarily driven by a surge in the subscriber bases in Burundi and Zimbabwe as a result of increased penetration into rural areas, as well as improved sales and distribution channel performance.

In the South East Asian cluster, the subscriber base exceeded 900 thousand at the end of 2012. In Laos, Beeline continued to offer SMS and voice, while data bundles and value added services were launched in the second half of the year.

Focus on ensuring sustainable profitable revenue growth

One of the pillars of VimpelCom's strategy in Africa & Asia business unit is focused on driving sustainable profitable revenue growth by leveraging the leadership positions that its brands enjoy in their respective and relatively underpenetrated markets. While the Company is established in voice and VAS revenues, it intends to capture the most of the exciting opportunity for non-voice revenue streams in markets where Internet access is primarily based on mobile technology. At the same time, the Africa & Asia business unit remains focused on optimizing its network expenditure and other costs to drive improved profitability.

Opportunities for the future

The Value Agenda for 2013 – 2015 in Africa & Asia is based on four pillars targeted at increasing net cash flow from operations.

Profitable Growth

The business unit will continue to focus on mobile data growth and value driven pricing, as well as furthering market penetration and subscriber growth. Our core objective is to pursue 3G opportunities while continuing to capture market share. Market share in our Africa & Asia operations is largely concentrated in mobile voice and messaging, making subscriber growth of utmost importance, along with operating a low cost model strategy. Mobile data and value added services are a central part of our platform in Pakistan and Bangladesh. To support growth of this platform, the Company launched Mobicash Mobile Financial Services in Pakistan in 2012, adding another stream of revenue. We also redesigned our network to be more optimized, with better equipment that requires lower OPEX and making the network 3G ready ahead of the award of 3G

licensing. In Bangladesh, we continue to enhance our Mobile Financial Services and value added services offerings with increased rollout of point of sale applications for our customers.

Operational Excellence

The business unit continues to focus on cost efficiency measures and enhancing revenue, primarily through subscriber growth and increasing APPM. To that end, we are driving margin improvement through a dual market strategy and also continue to manage technical OPEX through site sharing, OPEX optimization and network modernization. At the same, we continue to manage commercial OPEX by enhancing and consolidating Djezzy's brand leadership, call center outsourcing model, enhancement of the brand in Laos and launching Flexy code in Algeria and Bangladesh. Looking forward, initiatives to drive further cost efficiency will include increasing the scale of promotions and applying efficiency measures on marketing expenses. Additionally, we are launching a network modernization program to facilitate energy savings and will continue with OPEX optimization initiatives by converting BTS sites from indoor to outdoor sites and deploying hybrid power solutions.

Customer Excellence

The business unit is focused on initiatives designed to create a superior customer experience, optimize distribution and develop superior pricing capabilities. Specific initiatives in the area of creating a superior customer experience include implementation of touch point Net Promoter Score to measure and improve customer satisfaction and also revisiting all content portals. In optimizing distribution, the Company is working to improve customer acquisition costs through dealer optimization and focusing on quality of sales to mitigate churn. In terms of developing superior pricing capabilities, initiatives include innovation in value added services and data services and bundling, development of innovative pricing and initiatives and new capabilities developed in Pakistan, Bangladesh, Zimbabwe and Cambodia.

Capital Efficiency

By leveraging VimpelCom's broader size and scale, the business unit is realizing CAPEX efficiencies within its cost-optimization strategy. In this regard, focusing on the areas of technology and procurement has led to greater capital efficiency. Improvements to technology include network modernization and increasing infrastructure sharing and outsourcing to improve network CAPEX and OPEX.

Ukraine

Key facts

Summary financial

UAH mln	2012	2011	YoY
Revenue	13,392	13,078	2%
EBITDA	6,867	6,953	-1%
EBITDA margin	51.3%	53.2%	
Mobile subscribers ('000)	25,960	24,776	5%
Fixed broadband subscribers ('000)	613	397	54%

Business Unit Strategy

Our strategy is to deliver sustainable cash flow generation through improved positioning as the largest integrated telecom operator in Ukraine with growing subscriber base predominantly using bundled tariff plans and further expansion of non-mobile business coupled with lean cost management and capital efficiencies.

Priorities

- Maintain leadership in mobile
- Deliver the best customer experience
- Deliver growth in mobile and fixed data, content services
- Maintain cost efficiencies



Igor Lytovchenko

Head of the Ukraine Business Unit

“The Ukrainian Business Unit invested in its market position in 2012 with the successful transition of our mobile subscribers to bundled tariff plans. We will continue to invest in new pockets of growth and stay strongly committed to the Value Agenda to create value for our stakeholders.”

Telecom market expected to grow 4% CAGR* 2012-2015, mainly driven by mobile data and fixed broadband

15% CAGR

Mobile Data Revenue Growth 15% CAGR* 2012-2015

* Source: Ukraine Statistic Committee 2012, Ukraine analysis.

The year in review

VimpelCom’s Ukraine Business Unit went through a transition period in 2012, in which the Company successfully migrated its mobile subscribers to bundled tariff plans and solidified its market position in the mobile segment. Additionally, fixed-line revenues demonstrated double digit growth as a result of strong performance in fixed broadband.

Total revenue increased 2% to UAH 13.4 billion in 2012, driven by growth in both mobile and fixed-line businesses. Mobile revenues grew by 2% to UAH 12.3 billion, driven by the successful transition to bundled tariff plans and 5% growth of the mobile subscriber base to 26.0 million. The Company has transitioned around three quarters of subscribers to bundled tariff plans, with this process expected to be finalized in 2013. Strong growth in sales of handsets also added to the growth in mobile revenues during the year.

Fixed-line revenues increased 10% to UAH 1.1 billion as a result of strong FTTB revenue growth of 74%, which was primarily driven by growth in the fixed broadband subscriber base of 54% to 613 thousand. Kyivstar continued to outgrow the market, achieving our target of becoming the number one alternative broadband provider and the largest integrated telecom operator in Ukraine. Following completion of the rollout, investment in the FTTB network slowed in 2012.

EBITDA margin declined to 51.3% in 2012 from 53.2% in 2011, primarily due to temporary ARPU decline in mobile business related to the migration of high-value customers to our market level bundled offers and growth in OPEX as a result of increasing frequency fees and electricity costs.

Despite the lack of a 3G license, data users exceeded 40% of the total subscriber base with smartphone penetration growing to 18%, resulting in 11% data revenue growth to UAH 921 million.

Focus on ensuring sustainable revenue growth

Kyivstar aims to continue delivering profitable growth on targeted markets via a segment oriented value offer proposition, enhanced with advanced pricing models and new service offerings.

The Company identifies the following key strategic priorities in the consumer segment:

- Stimulate consumption and upsell low and medium ARPU clients following the transition to bundled tariff plans;
- Grow in mobile data through attractive offerings and partnerships;
- Extend market share in FTTB after becoming the largest alternative broadband provider in Ukraine;
- Maintain leadership in multimedia and enhance further development of content services offerings and consumption;
- Reinforce multichannel retail and distribution model with competitive offerings and best practice processes

Key initiatives in the business segment include:

- Provide integrated mobile-fixed offerings to businesses
- Reinforce sales efforts with targeted value offerings and best in class sales processes
- Introduce new services for B2B to increase the value offered
- Improve presence at key business locations

Opportunities for the future

The Ukraine Business Unit is delivering good results through the execution of the Value Agenda. The Value Agenda for 2013-2015 is based on four pillars aimed at increasing net cash flow from operations:

Profitable Growth

Despite lack of 3G, content services and fixed and mobile Internet are the drivers of profitable growth. To that end, we introduced special data bundles for small-screen users in 2012 that, together with promotion of smartphones, will support future mobile data revenue growth. Furthermore, fixed broadband is rapidly developing and Kyivstar aims to capitalize on this trend to further increase its market share.

Customer Excellence

The Company has improved the “value for money” position by the transition to bundled tariffs, coupled with the highest network quality and has set up a dedicated customer experience management unit to create superior customer experience. In addition, Kyivstar will continue to optimize its distribution mix and enhance delivery of consistent customer experience throughout all touchpoints and the customer lifecycle.

Operational Excellence

Kyivstar has identified and will continue cost improvement initiatives across all business unit functions. Examples of these initiatives include network outsourcing, network modernization, promotion of on-net traffic and further rightsizing of headcount.

Capital Efficiency

Kyivstar will continue to focus on increasing efficiency of CAPEX management. With the roll out of the FTTB network completed, our primary initiative to support CAPEX efficiencies going forward will be focused on high capacity utilization in mobile, and data traffic management and network sharing.

CIS

Key facts

Summary financial

USD mln	2012	2011	YoY
Revenue	1,755	1,589	10%
EBITDA	813	703	16%
EBITDA margin	46.3%	44.3%	
Mobile subscribers ('000)	24,167	19,703	23%
Fixed broadband subscribers ('000)	326	212	54%

Business Unit Strategy

CIS has a large and growing addressable market with mobile service penetration still growing in most countries of operation and low data usage, which creates promising prospects for VimpelCom's future growth in CIS. In leveraging this opportunity, the Business Unit is focused on increasing net cash from operating activities as part of the Group Value Agenda. Each CIS country is focused on efficient management of CAPEX and OPEX to ensure sustainable cash flow generation.

Priorities

- Further growth in revenue and usage in core mobile business
- Strengthening market positions in all markets
- Boosting high margin data services
- 3G and 2G network expansion



Dmitry Kromsky
Head of the CIS Business Unit

"CIS markets have high potential for mobile data growth due to low penetration of fixed Internet. This potential provides VimpelCom a significant opportunity to bring added value to our customers, while making our operations even more profitable."

Strong Growth Expected in Mobile and Fixed Data

13% CAGR

Mobile Data Revenue +25% and Fixed Data Revenue +13% CAGR 2012-2015.

The year in review

The CIS Business Unit continued to perform strongly, delivering profitable double digit revenue and EBITDA growth in 2012. Results for the second half of the year benefited meaningfully from the network closure of a competitor by the Uzbek authorities.

Total revenues increased 10% to USD 1.8 billion and EBITDA grew 16% to USD 813 million, resulting in a strong EBITDA margin of 46.3%. Mobile revenue increased 13%, primarily driven by the strong subscriber growth in Uzbekistan during the second half of the year. The increase was also supported by strong growth in mobile data revenues in all CIS markets as a result of the Company's focus on increasing data usage for small and medium screens.

Kazakhstan, VimpelCom's largest and most developed CIS market, faced strong competition in 2012. However, the Company strategically increased its focus on market positioning by starting to transition its subscriber base to bundled tariff plans and, for the year, Kazakhstan reported revenue growth of 2% and an EBITDA margin of 47.6%. Mobile service revenues were supported by strong growth in mobile data revenue as a result of the Company's focus on increasing data usage for small screens.

In Uzbekistan, the subscriber base grew by 60% in 2012 and revenues increased by 67%, primarily as a result of the aforementioned network closure of a competitor by the Uzbek authorities. This exceptional revenue growth, combined with control of structural OPEX, resulted in EBITDA growth of 107%. VimpelCom's primary focus in Uzbekistan is to sustain quality of service, while further improving network capacity.

Going forward, VimpelCom remains focused on achieving optimal balance between increasing market share and maintaining margins in order to deliver sustainable profitable growth and cash flow.

Focus on ensuring sustainable revenue growth

VimpelCom's core strategic objective in CIS is to achieve sustainable profitable growth, while efficiently managing OPEX and CAPEX. To that end, the Company is focused on increasing fixed and mobile data usage to stimulate revenue growth. To address these objectives, VimpelCom continues to implement the following strategy:

- Further growth of revenue and usage through a segmented approach in its B2C and B2B offerings;
- Focus on healthy margin and cash flow;
- Existing subscriber development and retention through targeted marketing and customer loyalty programs; and
- Bundled offering of fixed broadband, mobile broadband and voice to capture increased share of wallet.

To drive revenue growth, the CIS Business Unit continues to target market share gains through:

- Driving market growth, with leadership in data targeted in most markets;
- Enhancing the customer experience through the partnership with OTT players and offering branded devices; and
- Focusing on machine-to-machine products (devices and services) in the B2B segment.

Opportunities for the future

The Value Agenda for 2013-2015 in CIS is based on four pillars targeted at increasing net cash flow from operations:

Profitable Growth

The Company's initiatives to enhance profitability are primarily focused on providing high margin data services in all CIS countries in which VimpelCom operates. In terms of devices, our strategy is divided between large screens, which target subscriber acquisition through broadband expansion, 3G network development and technology innovations, and small and medium screens, which primarily target revenue and margin expansion.

Customer Excellence

The Company implemented a new approach to pricing and distribution in CIS and is currently working on best bundle offers to improve customer value, and switching on revenue sharing model with distribution partners. This new approach is focused on increasing customer satisfaction levels, while improving the quality of the subscriber base and reducing churn.

Operational Excellence

VimpelCom has implemented a number of initiatives in CIS designed to drive continuous improvement in operational efficiency. These initiatives are primarily focused on supporting on-going development of innovative operational approaches, identifying potential areas for improvement and applying best practices among operating companies.

Capital Efficiency

The key areas of investment to achieve capital efficiency in CIS include increasing network utilization in both 2G and 3G technologies to improve efficiency and increasing new data technology implementation and piloting to win leadership in customer perception and in data revenue. Going forward, VimpelCom plans to focus on cost effective 2G and 3G solutions and benefit from the synergies of the larger VimpelCom Group.

On-going commitment


At VimpelCom, we are committed to acting responsibly in each of the markets which we serve. This year, the details of the activities in which we are engaged have been collated into a separate Corporate Responsibility Report, which can be obtained from pr@vimpelcom.com or downloaded from our website www.vimpelcom.com.



Volunteering cleaning up city areas in the CIS

Our ambitions in the field of Corporate Responsibility are as follows:


- we aspire to constantly delight our customers, and ensure that our products and services are safe, accessible to as many people as possible, and marketed in a transparent and responsible way;
- we aim to treat our employees fairly, and help them to develop the skills to succeed in their careers;
- we strive to operate safely and responsibly in the communities where our facilities and network are hosted, and support those communities through good quality employment, reliable coverage and lending a hand with local community issues;
- we aim to work fairly with our supplier partners to source high quality products and services that are produced ethically, and at prices that enable us to be competitive in the market;
- we need to be good partners with the governments that provide our licence to operate, and work constructively with the regulators who set the operating framework.



Donating blood
in Cambodia



Tree-planting
in Kyrgyzstan



A flood survivor
at a relief camp in
Southern Punjab

In addition, we are committed to deeper engagement with those international organizations that will assist us in pursuing the highest standards of responsibility and reporting.

Our CR report categorizes our activities into 6 focus areas:

1. Ensuring a safer customer experience – providing safe products and services, which are accessible to as many people as possible, and are marketed in a transparent and responsible way.
2. Being environmentally conscious in our actions – managing our greenhouse gas emissions to help address climate change, managing our own waste (including electronic waste) and helping to keep the local environment green and free of litter.
3. Fostering a culture of responsibility through volunteerism – our employees want to contribute to their communities and good causes, and we want to help them to get involved through volunteering initiatives.
4. Building stronger societies everyday – mobile technology can help to build more sustainable societies through the connectivity it brings. This in itself can greatly improve quality of life but it

also provides a platform for delivering new services for under-served populations including the areas of financial services, education, health and agriculture.

5. Responding quickly to disasters – when natural disasters occur, or other crises hit, having access to good communications can make all the difference. We can help with this as well as provide very practical support to the victims.
6. Supporting the common good the VimpelCom way – many of the communities where we operate face challenges that they can't meet alone. We believe we can make a difference by supporting a variety of good causes either through our volunteering (see above) or through donation of money or equipment.

Much of our activity originates in our operating businesses and this is reflected in the report which we have compiled. However, as a Group we will continue to develop our activities and report annually on the progress we have made.

Committed to the highest global standards

Throughout its history, VimpelCom has been committed to delivering high standards of corporate governance – a commitment that remains firmly in place today.

VimpelCom is a public company listed on the NYSE, complying with all of the applicable listing and disclosure requirements as a foreign private issuer. The Company is committed to transparency regarding material developments in the Company or affecting its securities, in line with best practices. Additionally, VimpelCom also complies with the applicable SEC reporting requirements. These include filing of an annual report on Form 20-F each year with audited consolidated financials.

VimpelCom's corporate governance system gives its Supervisory Board authority for strategic decisions for the group. The corporate governance "authority matrix" (contained in the Company bye-laws) requires that the Supervisory Board approve important matters, including, among others, the group's annual budget and audited

accounts, organizational or reporting changes to management structure, significant transactions, as well as changes to share capital and other significant actions.

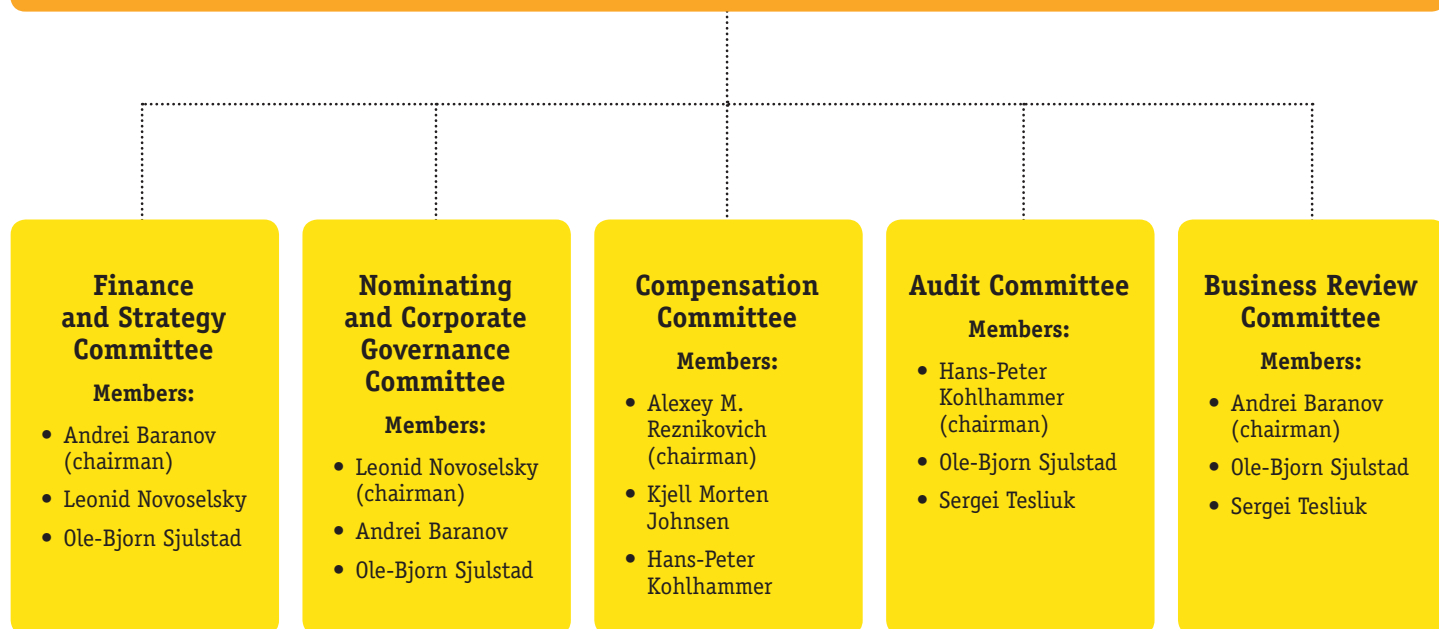
Shareholder approval policies and procedures are also in line with applicable requirements. All Supervisory Board members are elected by our shareholders through cumulative voting. Each voting share confers on its holder a number of votes equal to the number of directors to be elected. The holder may cast those votes for candidates in any proportion, including casting all votes for one candidate.

Committees of the Supervisory Board



Committees of the Supervisory Board

The Supervisory Board has a number of committees, which remain informed on, and make recommendations to the Supervisory Board regarding matters within their respective mandates. Committees consist only of Supervisory Board members.



Supervisory Board

A Board committed to deliver





Supervisory Board

Seated left to right

Mikhail M. Fridman
Chairman of the Supervisory Board,
Alfa Group Consortium

Alexey M. Reznikovich (Chairman)
Chief Executive Officer, Altimio

Jon Fredrik Baksaas
President and Chief Executive Officer,
Telenor Group

Standing left to right

Augie K. Fabela II
Chairman Emeritus

Leonid R. Novoselsky
Co-founder and President, Gradient Group

Kjell Morten Johnsen
Executive Vice President and Head of
Telenor's European Operations

Sergei Tesliuk
Vice President of Asset Management
Department, Altimio

Ole Bjorn Sjulstad
Senior Vice President for Central
and Eastern Europe, Telenor Group;
Head of Telenor Russia

Dr. Hans-Peter Kohlhammer
Chief Executive Officer,
KPC Kohlhammer Consulting

Andrei Baranov
Managing Director, Altimio

Value creation through performance



1 Jo Lunder
Chief Executive Officer

2 Henk van Dalen
Chief Financial Officer

3 Jan Edvard Thygesen
Deputy Chief Executive Officer and Chief Operating Officer

4 Taras Parkhomenko
Head of Kazakhstan

5 Mikhail Gerchuk
Group Chief Commercial and Strategy Officer

6 Anton Kudryashov
Head of the Russia Business Unit

7 Ahmed Abou Doma
Head of the Asia and Africa Business Unit

8 Maximo Ibarra
Head of Italy



9 Dmitry G. Kromsky
Head of the CIS Business Unit

10 Igor V. Lytovchenko
Head of the Ukraine Business Unit

11 Jeffrey D. McGhie
Group General Counsel & Chief Corporate Affairs Officer

12 Philip Tohme
Group Chief Technology Officer

13 Anja Uitdehaag
Group Director Human Resources

14 Romano Righetti
Group Chief Regulatory Officer

A pioneering spirit



Dr. Dmitri B. Zimin

Augie K. Fabela II

Our founders, Dr. Dmitri B. Zimin, a Russian scientist, and Augie K. Fabela II, an American entrepreneur, established VimpelCom in 1992 with a vision to bring wireless communications to Russia. These two pioneers also inspired the Company's transparency, strong corporate governance, quality, and innovation – characteristics that define VimpelCom's pioneering spirit today. Mr. Fabela also created Beeline, a leading telecom brand and trademark.

Mr. Zimin and Mr. Fabela led VimpelCom from its founding until its historic step of becoming the first Russian company to list on the New York Stock Exchange in 1996. With the listing, Mr. Fabela became the youngest Chairman of an NYSE listed company.

In 2002, Mr. Fabela was named Chairman Emeritus, remaining active as an advisor to the management team and the Supervisory Board on corporate governance and strategy. As the Company entered a new phase of development following the combination with Wind Telecom in 2011, Mr. Fabela was elected Chairman of the Supervisory Board of VimpelCom, bringing with him a wealth of leadership experience during this time of transformation and growth. In 2012, Mr. Fabela was again named Chairman Emeritus and continues to serve in an active strategic role for the Company.

Selected Financial and Operating Data

Selected Financial Data

The following selected consolidated financial data for the three years ended December 31, 2012 are derived from our historical consolidated financial statements which have been audited by Ernst & Young Accountants LLP, an independent registered public accounting firm, for the years ended December 31, 2012, 2011 and 2010 and by Ernst & Young LLC, an independent registered public accounting firm, for the year ended December 31, 2009. The data should be read in conjunction with our audited consolidated financial statements and related notes included in our annual report on Form 20-F for the year ended December 31, 2012. We omit certain selected financial information for the earliest year of the five year period ended December 31, 2012 because we adopted IFRS in 2010 and accordingly have only four years of selected consolidated financial data prepared in accordance with IFRS as issued by the IASB.

	Years ended December 31,			
	2012	2011	2010	2009
	(In millions of US dollars, except per share amounts)			
Service revenues	22,122	19,579	10,291	8,691
Sale of equipment and accessories	677	516	194	110
Other revenues	262	167	37	12
Total operating revenues	23,061	20,262	10,522	8,813
Operating expenses				
Service costs	5,439	4,962	2,251	1,895
Cost of equipment and accessories	693	663	217	111
Selling, general and administrative expenses	7,161	6,381	3,198	2,482
Depreciation	2,926	2,726	1,403	1,190
Amortization	2,080	2,059	610	440
Impairment loss	386	527	-	-
Loss on disposals of non-current assets	205	90	49	77
Total operating expenses	18,890	17,408	7,728	6,195
Operating profit	4,171	2,854	2,794	2,618
Finance costs	2,029	1,587	536	603
Finance income	(154)	(120)	(69)	(58)
Revaluation of retained interest in Euroset	(606)	-	-	-
Other non-operating losses/(gains)	75	308	(35)	69
Shares of loss/(profit) of associates and joint ventures accounted for using the equity method	9	35	(90)	(3)
Net foreign exchange (gain)/ loss	(70)	190	5	404
Profit before tax	2,888	854	2,447	1,603
Income tax expense	906	585	574	431
Profit for the year	1,982	269	1,873	1,172
Attributable to:				
The owners of the parent	2,145	543	1,806	1,142
Non-controlling interest	(163)	(274)	67	30
	1,982	269	1,873	1,172
Earnings per share				
Basic, profit for the year attributable to ordinary equity holders of the parent	\$1.33	\$0.36	\$1.50	\$1.13
Diluted, profit for the year attributable to ordinary equity holders of the parent	\$1.32	\$0.36	\$1.50	\$1.13
Weighted average number of common shares (millions)	1,618	1,524	1,207	1,013
Dividends declared per share	\$0.80	\$0.80	\$0.80	\$0.30

Selected Financial and Operating Data continued

	At December 31,			
	2012	2011	2010	2009
	(In millions of US dollars)			
Consolidated balance sheets data:				
Cash and cash equivalents	4,949	2,325	885	1,451
Working capital (deficit) ⁽¹⁾	(2,421)	(3,074)	(1,023)	(562)
Property and equipment, net	15,666	15,165	7,299	5,861
Intangible assets and goodwill	27,565	28,601	9,217	4,843
Total assets	55,360	54,039	19,505	14,618
Total liabilities	39,988	39,137	9,093	10,416
Total equity	15,372	14,902	10,412	4,202

(1) Working capital is calculated as current assets less current liabilities.

	Years ended December 31,			
	2012	2011	2010	2009
	(In millions of US dollars)			
Other data:				
Adjusted EBITDA*	9,768	8,298	4,906	4,334

* Adjusted EBITDA is a non-GAAP financial measure. Please see our Form 20-F for the year ended December 31, 2012, for more information on how we calculate adjusted EBITDA. Reconciliation of adjusted EBITDA to profit for the year, the most directly comparable IFRS financial measure, is presented below.

Reconciliation of Adjusted EBITDA to profit for the year (Unaudited, in millions of US dollars)

	Years ended December 31,			
	2012	2011	2010	2009
Adjusted EBITDA	9,768	8,298	4,906	4,334
Reconciliation adjustments	-	(42)	(50)	(9)
Depreciation	(2,926)	(2,726)	(1,403)	(1,190)
Amortization	(2,080)	(2,059)	(610)	(440)
Impairment loss	(386)	(527)	-	-
Loss on disposals of non-current assets	(205)	(90)	(49)	(77)
Finance costs	(2,029)	(1,587)	(536)	(603)
Finance income	154	120	69	58
Revaluation of retained interest in Euroset	606	-	-	-
Other non-operating losses/(gains)	(75)	(308)	35	(69)
Shares of (loss)/profit of associates and joint ventures accounted for using the equity method	(9)	(35)	90	3
Net foreign exchange loss	70	(190)	(5)	(404)
Income tax expense	(906)	(585)	(574)	(431)
Profit for the year	1,982	269	1,873	1,172

Selected Operating Data

The following selected operating data as of and for the years ended December 31, 2012, 2011, 2010 and 2009 has been derived from internal company sources. The selected operating data set forth below should be read in conjunction with our Form 20-F for the year ended December 31, 2012.

	As of December 31,			
	2012	2011	2010	2009
Selected company operating data⁽¹⁾:				
End of period mobile subscribers (in millions):				
Russia	56.1	57.2	52.0	50.9
Europe & North America	22.2	21.4	-	-
Africa & Asia	85.2	82.1	0.7	0.4
Ukraine	26.0	24.8	24.4	2.0
CIS	24.2	19.7	15.6	13.2
Total mobile subscribers	213.7	205.2	92.7	66.5
Mobile MOU ⁽²⁾				
Russia	276	243	219	211
Europe & North America				
Italy	207	197	-	-
Africa & Asia				
Algeria	262	286	-	-
Pakistan	214	206	-	-
Bangladesh	216	209	-	-
CAR	49	47	-	-
Burundi	37	37	-	-
Cambodia	545	419	331	78
Laos	97	233	-	-
Ukraine	493	467	378	209
CIS				
Kazakhstan	213	148	120	93
Tajikistan	241	229	179	173
Uzbekistan	474	425	386	314
Armenia	269	257	294	238
Georgia	237	207	137	138
Kyrgyzstan	272	303	258	164
Mobile ARPU ⁽²⁾ (in US dollars)				
Russia	10.8	11.0	10.8	10.1
Europe & North America	18.5	21.7	-	-
Africa & Asia				
Algeria	8.6	9.0	-	-
Pakistan	2.6	2.7	-	-
Bangladesh	1.8	1.8	-	-
CAR	5.9	6.4	-	-
Burundi	3.3	3.6	-	-
Cambodia	1.6	2.9	-	-
Laos	5.6	5.1	-	-
Ukraine	5.0	5.1	4.8	4.7
CIS				
Kazakhstan	7.6	8.3	9.2	8.1
Tajikistan	8.6	8.8	6.5	7.1
Uzbekistan	4.6	4.1	4.1	4.7
Armenia	6.8	8.1	10.3	13.2
Georgia	6.7	6.8	7.5	8.9
Kyrgyzstan	5.5	5.5	5.3	-

Selected Financial and Operating Data continued

	As of December 31,			
	2012	2011	2010	2009
Churn (as a percentage) ⁽²⁾				
Russia	63.2	62.8	50.8	42.8
Europe & North America				
Italy	35.2	28.3	-	-
Africa & Asia				
Algeria	24.2	20.9	-	-
Pakistan	25.2	29.5	-	-
Bangladesh	25.2	18.5	-	-
CAR	60.0	102.0	-	-
Burundi	54.0	59.9	-	-
Cambodia	210.0	128.0	167.0	-(3)
Laos	141.0	258.0	-	-
Ukraine	28.7	22.3	29.5	81.0
CIS				
Kazakhstan	55.8	47.4	43.5	46.3
Tajikistan	72.7	67.4	82.8	52.9
Uzbekistan	55.1	59.7	54.2	63.7
Armenia	83.9	87.6	67.6	58.6
Georgia	79.1	70.1	94.1	46.6
Kyrgyzstan	66.1	52.3	61.9	60.5
End of period broadband subscribers (in millions):				
Russia	5.0	4.6	3.3	2.1
Europe & North America	7.8	6.6	-	-
Africa & Asia	-	-	-	-
Ukraine	0.6	0.4	0.2	0.1
CIS ⁽⁴⁾	12.3	9.5	6.7	5.5
Total broadband subscribers	25.6	12.3	3.7	2.2

(1) For information on how we calculate mobile subscriber data, mobile MOU, mobile ARPU, mobile churn rates and broadband subscriber data, please refer to our Form 20-F for the year ended December 31, 2012. Please note that the data presented above for our Europe & North America segment relate only to our operations in Italy, except for mobile subscriber data, which include the subscribers of our equity associate in Canada (0.4 million for 2011 and 0.6 million for 2012). Operating data for Ukraine does not include figures associated with Kyivstar's operations prior to April 21, 2010, when Kyivstar's operations were integrated into the group. The number of mobile subscribers for Africa & Asia includes subscribers of Telecel Zimbabwe (1.5 million for 2011 and 2.6 million for 2012), in which we have an equity investment and is accounted at cost.

(2) For Wind Telecom Group companies acquired on April 15, 2011, mobile MOU, ARPU and churn are calculated based on the full year.

(3) Churn figures for Cambodia in 2009 are not provided due to partial year consolidation.

(4) CIS mobile broadband customers are those who have performed at least one mobile internet event in the three-month period prior to the measurement date.

Corporate Information

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Akin Gump Strauss Hauer & Feld LLP

Independent Auditors

Ernst & Young Accountants LLP

Depository Bank

The Bank of New York Mellon
CUSIP # 92719A106

Custodian Bank

Bank of New York Mellon (London)

Primary Trading Information

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Presentation of Financial Results

The Company believes pro forma comparisons for year ended 2011 for Europa&North America and Africa&Asia business units provide the most meaningful comparison of financial performance and, unless otherwise stated, all year ended 2011 comparisons for Europa&North America and Africa&Asia business units in this Annual Report are on a pro forma basis unless stated otherwise. For further details about the adjustments and assumptions of our year ended 2011 pro forma results, please refer to VimpelCom's press release issued on August 18, 2011, available on our website.

The pro forma information for year ended 2011 for Europa&North America and Africa&Asia business units presented in this Annual Report reflects what the Company's results of operations would have looked like had the Company's transactions with Wind Telecom occurred on January 1, 2011.

VimpelCom Ltd. consolidated results presented in this Annual Report are based on IFRS. Certain amounts and percentages that appear in this Annual Report have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including in tables, may not be exact arithmetic aggregations of the figures that precede or follow them.

Organic growth Revenue and EBITDA are non-U.S. GAAP financial measures that reflect changes in Revenue and EBITDA excluding foreign currency movements and other factors, such as business under liquidation, disposals, mergers and acquisitions. We believe investors should consider these measures as they are more indicative of our ongoing performance and management uses these measures to evaluate the Company's operational results and trends.



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