

## VIMPELCOM REPORTS PROFITABLE GROWTH IN 1Q13

### KEY RESULTS AND DEVELOPMENTS IN 1Q13

- Revenues of USD 5.6 billion; organic<sup>1</sup> growth of 1% YoY
- EBITDA of USD 2.3 billion, up 3% organically YoY
- EBITDA margin increased 0.9 p.p. YoY to 42.0%
- Total mobile subscriber base increased 4% YoY<sup>2</sup> to 215 million
- Net income attributable to VimpelCom shareholders increased 28% YoY to USD 408 million

Amsterdam (May 15, 2013) - "VimpelCom Ltd" ("VimpelCom", "Company" or "Group") (NYSE: VIP), a leading global provider of telecommunications services, today announces operating and financial results for the quarter ended March 31, 2013.

#### JO LUNDER, CHIEF EXECUTIVE OFFICER, COMMENTS:

"VimpelCom has again delivered a good performance in the first quarter of 2013. Year-on-year organic revenue growth was 1%, impacted particularly by MTR reductions in Italy, without which Group organic revenue growth would have been 4%. EBITDA was up 3% organically and 5% excluding the MTR reductions in Italy, highlighting our continuing and successful focus on operational excellence and cost control. The Group's EBITDA margin increased 0.9 percentage points year-on-year. These results demonstrate further progress on our Value Agenda and we remain on track to achieve our longer term objectives".

### CONSOLIDATED FINANCIAL AND OPERATING HIGHLIGHTS

| USD mln   | 1Q13         | 1Q12         | Reported YoY | Organic YoY |
|---|--------------|--------------|--------------|-------------|
| <b>Total operating revenues</b>                   | <b>5,591</b> | <b>5,619</b> | <b>0%</b>    | <b>1%</b>   |
| <b>EBITDA</b>                                     | <b>2,348</b> | <b>2,311</b> | <b>2%</b>    | <b>3%</b>   |
| <b>EBITDA margin</b>                              | <b>42.0%</b> | <b>41.1%</b> | -            |             |
| <b>EBIT</b>                                       | <b>1,107</b> | <b>1,015</b> | <b>9%</b>    |             |
| Net income attributable to VimpelCom shareholders | 408          | 318          | 28%          |             |
| EPS, basic (USD)                                  | 0.25         | 0.20         | 25%          |             |
| Net cash from operating activities                | 1,274        | 1,607        | -21%         |             |
| Capital expenditures <sup>3</sup>                 | 595          | 632          | -6%          |             |
| Net debt / LTM EBITDA                             | 2.3          | 2.6          | -            |             |
| Total mobile subscribers (millions) <sup>2</sup>  | 215          | 206          | 4%           |             |

<sup>1)</sup> Organic revenue and EBITDA growth are non-GAAP financial measures that exclude the effect of foreign currency movements and certain items like liquidations and disposals. A reconciliation of organic to reported Revenue and EBITDA growth can be found in Attachment C. For more information please see the definition of Organic growth Revenue and EBITDA in Attachment E.

<sup>2)</sup> Following the sale of Vietnam the subscriber numbers for 1Q12 exclude Vietnam subscribers of 3 million. For all definitions please see Attachment E.

<sup>3)</sup> Capex 1Q13 excludes EUR 136 million of non-cash increase in Intangible Assets related to the contract with Terna in relation to the Right of Way of WIND's backbone

## ORGANIC GROWTH REVENUE AND EBITDA

1Q13 versus 1Q12

| Business Units | Revenue   |             |           | EBITDA    |             |           |
|----------------|-----------|-------------|-----------|-----------|-------------|-----------|
|                | Organic   | FX / others | Reported  | Organic   | FX / others | Reported  |
| Russia         | 5%        | -1%         | 4%        | 6%        | -1%         | 5%        |
| Italy          | -9%       | 1%          | -8%       | -5%       | 0%          | -5%       |
| Africa & Asia  | -1%       | -6%         | -7%       | 2%        | -5%         | -3%       |
| Ukraine        | 3%        | 0%          | 3%        | -1%       | 0%          | -1%       |
| CIS            | 20%       | -1%         | 19%       | 38%       | -1%         | 37%       |
| <b>Total</b>   | <b>1%</b> | <b>-1%</b>  | <b>0%</b> | <b>3%</b> | <b>-1%</b>  | <b>2%</b> |

### PRESENTATION OF FINANCIAL RESULTS

*VimpelCom results presented in this earnings release are based on IFRS.*

*The actual financial results in this earnings release have not been audited.*

*Certain amounts and percentages that appear in this earnings release 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.*



## STRATEGIC UPDATE AND MAIN EVENTS

- **Final dividend 2012 and extra-ordinary dividend for a total of USD 2.0 billion or USD 1.14 per share**
- **Reaffirmed dividend guidelines of at least USD 0.80 per common share**
- **Sold stake in Cambodia**
- **Successfully issued EUR 575 million bonds by WIND**
- **AGM re-elected all nine Supervisory Board members**

In April, VimpelCom announced the authorization of the final dividend 2012 of USD 0.35 per common share. The Supervisory Board also approved an extra-ordinary dividend of USD 0.79 per common share, related to the conversion of Convertible Preferred Shares by Altimo Holdings & Investments Ltd. (“Altimo”). The total dividend amount paid related to the final dividend 2012 and the extra-ordinary dividend is USD 2.0 billion. In addition, notwithstanding the increased number of outstanding common shares after Altimo’s conversion of Convertible Preferred shares, the Company affirmed its dividend guidelines, based on which VimpelCom aims to pay out at least USD 0.80 per share per year assuming not more than 1,757 million common shares are issued and outstanding. For the full dividend guidelines, please refer to the Company’s website at [www.vimpelcom.com](http://www.vimpelcom.com).

In April, VimpelCom announced the sale of its entire indirect stake in Sotelco Ltd. in Cambodia to its local partner, Mr. Huot Vanthan. This sale was in-line with the Company’s Value Agenda and resulted from the on-going strategic portfolio review, within which its operations are reviewed to assess their future value to the Group.

In the same month, Altimo announced that it launched a mandatory cash tender offer to acquire all outstanding ordinary shares of Orascom Telecom Holding S.A.E. (OTH). VimpelCom does not plan to tender its OTH shares into Altimo’s tender offer on the current terms of the offer.

In April, the Company published its Annual Report 2012 as well as its Corporate Responsibility Report 2012.

In April, Wind Acquisition Finance, a subsidiary of WIND Italy, successfully issued EUR 575 million equivalent Senior Secured Notes in a combination of EUR 150 million 2019 Floating Rate Notes three-month EURIBOR plus 525 bps and USD 550 million 2020 Fixed Rate Notes 6.50%. The net proceeds of this offering were used to refinance WIND’s 2014 and 2015 term loan maturities to to optimize its cash flow profile over the coming years.

On April 24, 2013, VimpelCom held its Annual General Meeting of Shareholders (AGM) in Amsterdam, during which the Company’s shareholders re-elected all nine Supervisory Board members, including four nominated by Altimo, three nominated by Telenor and two independent directors. Shareholders also re-appointed Ernst & Young as the Company’s auditor. Following the AGM, the Supervisory Board unanimously re-elected Alexey Reznikovich as its Chairman.

OTH announced it has signed a share purchase agreement to sell its stake in Telecel Globe Limited, which owns operations in Burundi and Central African Republic. The sale is subject to closing conditions.

In May, VimpelCom announced that Henk van Dalen, Chief Financial Officer, has decided to leave the Company when his contract expires in September 2013. A process to identify VimpelCom’s next Chief Financial Officer is underway and an announcement will be made in due course.

## VIMPELCOM GROUP – FINANCIAL AND OPERATING RESULTS 1Q13

- Revenues of USD 5.6 billion with organic growth of 1% YoY, significantly impacted by the 72% MTR cut in Italy
- Continued mobile data growth, with Russia up 31% YoY and Italy up 29% YoY
- EBITDA of USD 2.3 billion, up 3% organically YoY
- Total mobile subscriber base increased 4% YoY to 215 million, with incidental strong growth in Uzbekistan
- CAPEX of USD 0.6 billion; LTM CAPEX / Revenues of 18%
- Net cash from operating activities of USD 1.3 billion
- Net debt / LTM EBITDA of 2.3x at the end of 1Q13

### OPERATING PERFORMANCE OVERVIEW

In 1Q13 VimpelCom continued to deliver on its strategic priorities as defined by the Company's Value Agenda for 2013-2015, with profitable organic growth in almost all business units. In USD terms, 1Q13 results were negatively impacted by the YoY appreciation of the USD against the local currencies in most of VimpelCom's operating businesses. Excluding the 72% reduction of MTRs in Italy, Group revenues would have grown approximately 4% organically YoY and EBITDA would have grown organically by approximately 5% YoY. The organic development is highlighted below.

The total mobile subscriber base increased 4% YoY to 215 million at the end of the first quarter. The largest absolute contribution came from a large increase in subscribers in CIS, primarily due to the network closure of a competitor by the Uzbek authorities. There was also subscriber growth in the Ukraine and Africa & Asia business units. Additionally, the Company achieved strong growth in fixed and mobile broadband subscribers in Russia, Italy and the Ukraine.

In **Russia**, the Company continued the positive trend of 2012, delivering organic revenue growth of 5% YoY. Mobile data revenues increased 31% YoY. Mobile broadband subscribers in Russia increased 5% YoY to 2.7 million, while the fixed broadband subscriber base increased 7% YoY to 2.4 million.

In **Italy**, WIND continued to outperform the broader Italian telecom market, which remains highly competitive. VimpelCom further strengthened its market position in Italy in both the mobile and fixed-line segments. Fixed broadband revenues increased 9% YoY in local currency, while mobile internet revenues increased 29% YoY in local currency.

The **Africa & Asia** Business Unit was impacted by regulatory and governmental actions, with revenues down 1% YoY organically in 1Q13. In Algeria, Djezzy was able to maintain its leadership position, with revenues flat YoY despite limitations resulting from the on-going restrictions. In Pakistan, revenue growth was impacted by several government-forced cellular network closures. In Bangladesh, the decline in revenues was mainly due to the continued disconnection of high value suspected VoIP customers in compliance with new self-regulations set by the regulator and 19 days of strikes during the quarter. The subscriber base in our Africa & Asia business unit increased by 2% YoY to 85 million.

The **Ukraine** Business Unit completed the transition of its mobile subscriber base to bundled tariff plans as of the end of the first quarter, solidifying its market position in the mobile segment and successfully lowering churn. The mobile subscriber base in the Ukraine increased by 11% YoY to 27.5 million. Total revenues increased 3% YoY, with mobile revenues up 2% and fixed-line service revenues up 13% YoY, mainly due to a 44% increase in fixed residential broadband revenues.

The **CIS** Business Unit continued to deliver double digit YoY organic revenue growth, with results benefiting meaningfully from the situation in Uzbekistan. The Company continues to face particularly strong competition in Kazakhstan, as well as in Armenia and Kyrgyzstan. In Kazakhstan, VimpelCom is transitioning its subscriber base to bundled tariff plans to solidify its market position and this transition is impacting revenues.

## OPERATING FINANCIALS PER BUSINESS UNIT

USD mln

|                                 | 1Q13         | 1Q12         | Reported YoY | Organic YoY |
|---------------------------------|--------------|--------------|--------------|-------------|
| <b>Total operating revenues</b> | <b>5,591</b> | <b>5,619</b> | <b>0%</b>    | <b>1%</b>   |
| of which:                       |              |              |              |             |
| BU Russia                       | 2,304        | 2,225        | 4%           | 5%          |
| BU Italy                        | 1,622        | 1,766        | -8%          | -9%         |
| BU Africa & Asia                | 864          | 927          | -7%          | -1%         |
| BU Ukraine                      | 396          | 385          | 3%           | 3%          |
| BU CIS                          | 451          | 379          | 19%          | 20%         |
| other                           | (46)         | (64)         | -            | -           |
| <b>EBITDA</b>                   | <b>2,348</b> | <b>2,311</b> | <b>2%</b>    | <b>3%</b>   |
| of which:                       |              |              |              |             |
| BU Russia                       | 963          | 918          | 5%           | 6%          |
| BU Italy                        | 610          | 639          | -5%          | -5%         |
| BU Africa & Asia                | 412          | 424          | -3%          | 2%          |
| BU Ukraine                      | 194          | 197          | -3%          | -1%         |
| BU CIS                          | 220          | 161          | 37%          | 38%         |
| other                           | (51)         | (28)         | -            | -           |
| <b>EBITDA margin</b>            | <b>42.0%</b> | <b>41.1%</b> | <b>-</b>     | <b>-</b>    |
| <b>Capital expenditures*</b>    | <b>595</b>   | <b>632</b>   | <b>-6%</b>   | <b>-</b>    |

\* Capex 1Q13 excludes EUR 136 million of non-cash increase in Intangible Assets related to the contract with Terna in relation to the Right of Way of WIND's backbone

## FINANCIAL PERFORMANCE OVERVIEW

**EBITDA** increased 2% YoY, reflecting the negative impact of unfavorable currency movements. Excluding the effects of forex, EBITDA increased 3% compared to the same period last year. Excluding the 72% reduction of MTR in Italy, Group EBITDA would have grown 5% organically YoY. Russia delivered healthy EBITDA organic growth of 6% YoY due primarily to higher revenues and strong cost control measures. In Italy, EBITDA declined 5% YoY mainly due to the MTR cuts in July 2012 and January 2013, partially offset by a general reduction of costs. Excluding the MTR impact, EBITDA in Italy increased 2% YoY organically. In Africa & Asia, EBITDA increased 2% YoY organically. In Ukraine, EBITDA declined 1% YoY due to higher business costs resulting from an increase in mobile gross additions and growth in OPEX, partially offset by a decline in HR costs. The 38% YoY EBITDA organic growth in CIS was supported by strong performance in Uzbekistan following the closure of a competitor's network by the Uzbek authorities, as well as ongoing operational excellence and cost control measures.

**EBIT** in 1Q13 grew by 9% compared to 1Q12 reflecting the better operational performance and positive impact of a declining amortization applied to intangible assets associated with customer relationships as part of the Wind Telecom acquisition, as well as lower losses recognized on equipment sales and asset disposals.

**Profit before tax** decreased by 8% YoY to USD 543 million compared to profit before tax of USD 593 million in the same period a year ago. The decline is primarily due to a lower foreign exchange gain, which totaled USD 28 million in 1Q13 compared to a foreign exchange gain of USD 63 million in 1Q12.

**Net income** attributable to VimpelCom shareholders increased 28% YoY in 1Q13 to USD 408 million compared to net income of USD 318 million in 1Q12. The increase is the result of higher EBIT, higher financial expenses and the favorable impact attributable to non-controlling interest.

**CAPEX** totaled USD 595 million in 1Q13, with further roll out of the mobile networks in Russia, Bangladesh and CIS and continued roll out of HSDPA+ and in backbone capacity to support the growth in data in Italy. CAPEX 1Q13 excludes USD 179 million of non-cash increase in Intangible Assets related to the contract with Terna, in relation to the Right of Way of WIND's fiber-optic backbone securing WIND's long term capability to handle the growing data traffic. LTM CAPEX to revenues stood at 18%. Due to catch-up investments in Russia and potentially in Algeria, the Company expects FY13 CAPEX excluding licenses to be approximately 21% of revenue.

## INCOME STATEMENT ELEMENTS

| USD mln  | 1Q13         | 1Q12         | YoY        |
|--|--------------|--------------|------------|
| <b>Total operating revenues</b>                          | <b>5,591</b> | <b>5,619</b> | <b>0%</b>  |
| <b>EBITDA</b>  | <b>2,348</b> | <b>2,311</b> | <b>2%</b>  |
| <b>EBIT</b>  | <b>1,107</b> | <b>1,015</b> | <b>9%</b>  |
| Financial income and expenses                            | (501)        | (443)        | 13%        |
| Net foreign exchange (loss)/gain and others              | (63)         | 21           | n.m.       |
| <b>Profit before tax</b>                                 | <b>543</b>   | <b>593</b>   | <b>-8%</b> |
| Income tax expense                                       | (213)        | (239)        | -11%       |
| <b>Profit for the period</b>                             | <b>330</b>   | <b>354</b>   | <b>-7%</b> |
| <b>Net income attributable to VimpelCom shareholders</b> | <b>408</b>   | <b>318</b>   | <b>28%</b> |

## STATEMENT OF FINANCIAL POSITION & CASH FLOW

| USD mln              | 1Q13   | 4Q12 restated* | QoQ |
|----------------------|--------|----------------|-----|
| Total assets         | 54,291 | 54,737         | -1% |
| Shareholders' equity | 14,410 | 14,246         | 1%  |
| Gross debt           | 28,615 | 26,987         | 6%  |
| Net debt             | 22,861 | 21,971         | 4%  |

| USD mln                                     | 1Q13    | 1Q12  | YoY  |
|---|---------|-------|------|
| Net cash from operating activities          | 1,274   | 1,607 | -21% |
| Net cash used in investing activities       | (1,054) | (915) | 15%  |
| Net cash received from financing activities | 498     | 941   | -47% |

\* Certain amounts shown here do not correspond to the annual consolidated financial statements as at 31 December 2012 and reflect adjustments made with respect to the investment in Euroset. The investment has been revalued in Q4 2012 following the requirements of IAS 28 Investments in Associates increasing the net result by USD 606 million and currency translation of USD 17 mln. Due the adoption of a new standard IFRS 11 Joint Arrangements in 2013 and its retrospective application, VimpelCom had to restate the opening balances to reverse the above mentioned revaluation

Total assets decreased by 1% YoY in 1Q13 to USD 54.3 billion, primarily reflecting depreciation of the Ruble and Euro relative to reporting currency. Gross debt increased 6% YoY for 1Q13 to USD 28.6 billion, with the increase primarily due to the completion of approximately USD 2 billion in debt refinancing during the quarter. Net debt increased 4% YoY in 1Q13 to USD 22.9 billion mainly due to dividend payments of USD 1.3 billion in January 2013, leading to a net debt to LTM EBITDA ratio of 2.3x at the end of the first quarter.

Net cash from operating activities decreased 21% YoY to USD 1.3 billion primarily reflecting the temporarily negative impact of change in working capital compared to the same period a year ago and the phasing of tax and interest payments. The change in working capital was mainly caused by higher inventories and receivables related to handset sales not converted into cash, lower customer advances and deposits on top ups and lower payables as a result of deferred payments in 4Q12. Net cash used in investing activities increased to USD 1.1 billion in 1Q13 compared to USD 0.9 billion in 1Q12, mainly due to investments in deposits. The decrease in net cash received from financing activities in 1Q13 compared to 1Q12 was mainly the result of dividend payments in January 2013.

## BUSINESS UNITS PERFORMANCE IN 1Q13

- Russia
- Italy
- Africa & Asia
- Ukraine
- CIS



## BUSINESS UNIT RUSSIA – FINANCIAL AND OPERATING RESULTS

- **Revenue increased 5% YoY, with 5% growth in both mobile and fixed-line revenues**
- **Mobile data revenue grew 31% YoY, with 44% YoY improvement in small screen data revenue**
- **EBITDA increased 6% YoY, leading to EBITDA margin growth of 0.5 p.p. YoY to 41.8%**

The Russian Business Unit continued its positive operational performance, delivering profitable growth in 1Q13 with a revenue increase of 5% YoY and EBITDA growth of 6% YoY. The mobile subscriber base increased slightly YoY to 55.7 million subscribers.

Mobile revenues increased 5% YoY, primarily driven by mobile data revenue growth of 31%. The strong improvement in mobile data revenues more than offset the decline in mobile voice revenues in 1Q13, and ARPU increased by 2% YoY to RUB 321. Mobile data revenues grew 61% YoY in Moscow, which is targeted as a priority region for VimpelCom, especially for growing mobile data. VimpelCom continued its efforts aimed at stimulating data usage for small and medium screen users by promoting bundled tariff plans. As a result, data revenues for small screens increased by 44% YoY in 1Q13, continuing the strong growth seen in previous quarters. Additionally, the percentage of subscribers with bundled tariffs increased by 4 p.p. YoY in 1Q13 to 7%. Strong growth of 79% YoY in equipment and accessory sales added to mobile revenue growth during the quarter.

Fixed-line revenues increased 5% YoY in 1Q13 driven by strong performance of the FTTB segment. The FTTB subscriber base increased by 8% YoY to 2.3 million, while FTTB revenues increased by 15% YoY.

Quarterly mobile churn decreased to 15% in 1Q13 from 17% in 1Q12. The Company aims to reduce churn in FY13 by increasing the quality of the data network, improving the quality of its subscriber base as the result of a full revenue share model with all of its distributors and launching a comprehensive churn reduction program. The Company's strategy of expanding its owned mono-brand stores will also support reduced churn by offering better customer service and an improved product offering to subscribers.

EBITDA margin increased 0.5 p.p. YoY to 41.8% in 1Q13, with improvement driven by the Company's Operational Excellence program. The primary contributors to the EBITDA margin improvement were savings in commercial costs, primarily driven by the shift to a revenue share model with distributors, as well as savings in HR costs.

In May, VimpelCom announced the appointment of Artem Nitz as Vice-President, Director of the Moscow region. Before joining OJSC VimpelCom, Artem served as CFO in VimpelCom's Ukraine business unit after holding the position of Director corporate strategy. Artem Nitz will replace Andrey Pyatakhin, who will become CEO of VimpelCom's operating company in Armenia.

### KEY DEVELOPMENTS 1Q13

- Total revenue in Russia grew by 5% YoY to RUB 70.1 billion.
- Mobile revenues increased 5% YoY to RUB 58.1 billion.
- Fixed-line revenue increased 5% YoY to RUB 12.0 billion.
- EBITDA increased by 6% YoY to RUB 29.3 billion.
- EBITDA margin increased 0.5 p.p. to 41.8%.
- The mobile subscriber base increased slightly YoY to 55.7 million; mobile broadband subscribers increased 5% YoY to 2.7 million. The fixed broadband subscriber base increased 7% YoY to 2.4 million.
- Mobile ARPU increased by 2% YoY to RUB 321.
- Mobile data traffic grew 72% YoY.
- LTM CAPEX/Revenues was 18% in 1Q13 and VimpelCom remains on track to deliver continued improvement in network quality to support the growth of mobile data.



## RUSSIA KEY INDICATORS

| RUB mln                             | 1Q13          | 1Q12          | YoY       |
|-------------------------------------|---------------|---------------|-----------|
| <b>Total operating revenues</b>     | <b>70,080</b> | <b>67,022</b> | <b>5%</b> |
| Total operating expenditures        | 40,788        | 39,367        | 4%        |
| <b>EBITDA</b>                       | <b>29,292</b> | <b>27,654</b> | <b>6%</b> |
| <b>EBITDA margin</b>                | <b>41.8%</b>  | <b>41.3%</b>  | -         |
| Capex                               | 6,711         | 6,140         | 9%        |
| Capex / revenues                    | 10%           | 9%            | -         |
| <b>Mobile</b>                       |               |               |           |
| Mobile total operating revenues     | 58,117        | 55,576        | 5%        |
| - of which mobile data              | 7,194         | 5,510         | 31%       |
| Mobile subscribers ('000)           | 55,666        | 55,622        | 0%        |
| - of which mobile broadband ('000)  | 2,717         | 2,579         | 5%        |
| Mobile ARPU (RUB)                   | 321           | 314           | 2%        |
| MOU (min)                           | 277           | 254           | 9%        |
| <b>Fixed-line</b>                   |               |               |           |
| Fixed-line total operating revenues | 11,963        | 11,445        | 5%        |
| Fixed Broadband revenues            | 3,187         | 2,795         | 14%       |
| Fixed Broadband subscribers ('000)  | 2,378         | 2,224         | 7%        |
| Fixed Broadband ARPU (RUB)          | 440           | 426           | 3%        |

## BUSINESS UNIT ITALY - FINANCIAL AND OPERATING RESULTS

- Revenues increased 1% YoY, excluding MTR impact
- EBITDA up 2% YoY, excluding MTR impact, supported by cost efficiency
- Strong data revenue growth: mobile Internet up 29%, messaging up 5%, fixed broadband up 9%
- Mobile subscribers exceeded 22 million; 100% of net additions in the market

WIND in Italy continued to outperform its competitors in 1Q13 posting a solid performance that partially offset the unfavorable regulatory and macroeconomic environment in a very competitive market.

Total revenues in 1Q13 decreased 9% YoY mainly as a result of cuts in mobile termination rates in both July 2012 and January 2013 for a total reduction of 72% (5.3 Euro cent in 1Q12 vs. 1.5 Euro cent in 1Q13). Excluding the impact from MTR cuts total revenues grew 1% YoY.

In mobile, revenues declined by 10% over 1Q12 due to the aforementioned MTR cuts, net of which growth would have been 3%. WIND's mobile subscriber base grew by 4% YoY despite the high churn rate due to an acceleration of the MNP phenomenon in the market.

In fixed-line revenues decreased 6% mainly due to the decline in the indirect customer base coupled with a reduction in voice ARPU as a result of the new strategy focused on LLU. However the higher margin direct customer base increased by 1% YoY.

WIND posted strong performance in Data with mobile internet revenues up 29%, messaging revenues up 5% and fixed Broadband revenues increasing by 9%. Mobile broadband consumer subscribers grew 39% YoY and fixed broadband customers grew by 1% driven by a 3% increase in the more profitable LLU Broadband subscriber base.

EBITDA declined by 5% driven by the reduction in revenues, due to the MTR cuts, partially offset by structural cost saving initiatives implemented in the period in almost all lines of the P&L. Net of MTR cuts EBITDA would have increased 2%. Despite this decline, EBITDA margin increased by 1.3 percentage points YoY to 37.5%.

### KEY DEVELOPMENTS 1Q13

- Total revenues declined 9% YoY to EUR 1,229 million with an underlying increase, excluding MTR impact, of 1%.
- EBITDA declined 5% to EUR 461 million, with an underlying increase, excluding MTR impact, of 2%.
- EBITDA margin increased 1.3 percentage points to 37.5%.
- Mobile customer base increased 4% to exceed 22 million subscribers, with WIND gaining 100% of MNO net additions in 1Q13. Mobile broadband consumer subscribers grew 39% YoY.
- Mobile data ARPU increased by 8% to EUR 4.1 accounting for 33% of the total ARPU of EUR 12.4; the total ARPU decreased due to a decline in voice ARPU mainly related to the two MTR cuts and competitive intensity. This was coupled with the ongoing success of WIND's data only SIM card offerings for tablets, PCs and dongles which do not generate voice revenues.
- In fixed-line, WIND continued to focus on the direct market, achieving 2% growth in voice LLU subscribers to 2.46 million. Fixed broadband subscribers grew by 1% to 2.23 million driven by 3% increase in LLU broadband customers.
- Fixed-line ARPU decreased by 3% to EUR 31.3 driven by the decline of pay-per-use traffic and prices coupled with promotional activity resulting from competitive pressure. Broadband ARPU grew 7% YoY to EUR 20.2 mainly due to strong penetration of bundle offers.
- CAPEX totaled EUR 162 million, which was invested mainly in the mobile HSPA+ expansion and in the backhauling capacity to support the strong growth in data. CAPEX excludes EUR 136 million of non-cash increase in Intangible Assets related to capitalization of a contract with Terna, in relation to the Right of Way of WIND's fiber-optic backbone, securing WIND's long term capability to handle the growing data traffic.

## ITALY KEY INDICATORS

| Euro mln  | 1Q13         | 1Q12         | YoY        |
|---|--------------|--------------|------------|
| <b>Total operating revenues</b>                   | <b>1,229</b> | <b>1,346</b> | <b>-9%</b> |
| Total operating expenditures                      | 769          | 859          | -11%       |
| <b>EBITDA</b>                                     | <b>461</b>   | <b>487</b>   | <b>-5%</b> |
| <b>EBITDA margin</b>                              | <b>37.5%</b> | <b>36.2%</b> | <b>-</b>   |
| Capex <sup>(1)</sup>                              | 162          | 193          | -16%       |
| Capex <sup>(1)</sup> / revenues                   | 13%          | 14%          | -          |
| <b>Mobile</b>                                     |              |              |            |
| Total revenues                                    | 888          | 983          | -10%       |
| Subscribers ('000)                                | 22,013       | 21,132       | 4%         |
| - of which mobile broadband ('000) <sup>(2)</sup> | 6,277        | 4,525        | 39%        |
| ARPU (€)  | 12           | 15           | -16%       |
| MOU (min)   | 216          | 205          | 5%         |
| <b>Fixed</b>                                      |              |              |            |
| Total revenues                                    | 341          | 363          | -6%        |
| Total voice subscribers ('000)                    | 3,096        | 3,182        | -3%        |
| Total fixed-line ARPU (€)                         | 31           | 32           | -3%        |
| Broadband subscribers ('000)                      | 2,228        | 2,211        | 1%         |
| Broadband ARPU (€)                                | 20           | 19           | 7%         |
| Dual-play subscribers ('000)                      | 1,871        | 1,809        | 3%         |

(1) Capex 1Q13 exclude EUR 136 million of non-cash increase in Intangible Assets related to the contract with Terna in relation to the Right of Way of WIND's backbone

(2) Mobile broadband includes consumer customers that have performed at least one mobile Internet event in the previous month on 2.5G/3G/3.5G

## BUSINESS UNIT AFRICA & ASIA – FINANCIAL AND OPERATING RESULTS

- Revenues decreased by 1% YoY organically to USD 864 million, impacted by regulatory and governmental actions
- EBITDA grew organically 2% YoY to USD 412 million, with an EBITDA margin of 47.7%
- Subscriber base increased by 2% to more than 85 million

Revenues in the Africa & Asia business unit were negatively impacted by regulatory and governmental actions that are beyond management control and decisions, leading to a decline of 1% YoY organically to USD 864 million. This decline was mainly driven by the slowdown in Bangladesh due to the new self-regulation set by the regulator and 19 days of strikes during the quarter, the on-going restrictions on Djezzy in Algeria, which affected our operational competitiveness and the political and macro-economic unrest in Pakistan. Reported results in US dollar terms were adversely affected by local currency devaluation against the US dollar, mainly in Algeria and Pakistan resulting in a revenue decline of 7% YoY and an EBITDA decline of 3% YoY. EBITDA achieved organic growth of 2% YoY reaching USD 412 million.

### ALGERIA (“DJEZZY”)

Djezzy was able to maintain its leadership position with a market share of 55%, growing its subscriber base by 1% YoY to 17.9 million customers. Revenues remained relatively flat YoY in local currency terms, despite the lack of competitiveness on marketing offering and activities. In addition, strikes at the local post office indirectly affected customers spending due to their inability to withdraw or transfer funds. Mobile data revenues grew by 49% YoY. EBITDA decreased by 2% YoY in local currency terms, mainly due to higher IT costs, as well as higher administrative costs. During the quarter, Djezzy was internationally awarded the “Lawhat d’ Or” for the best outdoor campaign in Algeria during 2013.

### PAKISTAN (“MOBILINK”)

Mobilink subscriber base increased by 1% YoY to 36.3 million customers. The operating environment in Pakistan remained challenging due to persistent energy shortage, a volatile security situation and continued telecom regulatory restrictions. In 1Q13, Mobilink implemented several initiatives designed to mitigate the impact of regulatory restrictions on retail channel sales for new SIMs by changing the distribution structure through direct agreements with selected retailers and focusing on reactivation offers. All cellular networks in major cities were shut down several times upon government request for security reasons, which resulted in revenue loss for all cellular operators. Despite all these issues, revenues increased by 5% YoY in local currency terms, driven by

aggressive acquisition offers, price increase initiatives for base tariffs and all major offers, a higher subscriber base and improved VAS and interconnect revenues. Mobile data revenues increased by 27% YoY. EBITDA increased by 5% YoY in local currency terms, mostly due to strong measures associated with the Operational Excellence initiative.

### BANGLADESH (“BANGLALINK”)

At the end of 1Q13, banglalink’s subscriber base stood at approximately 25.9 million customers, growing by 5% YoY. banglalink’s revenues decreased by 13% YoY, mainly due to lower usage per subscriber resulting from the disconnection of high value suspected VoIP customers, in compliance with new self-regulations set by the regulator BTRC. Total disconnections related to suspected VoIP customers during 1Q13 stood at 527K customers, in addition to 536K customers disconnected during 4Q12. Furthermore, revenues were affected by the regulator enforced 10 seconds pulse for all packages including Interactive Voice Response (IVR) services, which was implemented during September 2012. Mobile data revenues grew by 159% YoY. EBITDA increased 5% YoY, mainly driven by lower subscriber acquisition cost (SIM tax subsidy) due to fewer gross additions.

The disconnection of VoIP customers is expected to have a prolonged negative impact during 2013, as previously highlighted during 4Q12. The YoY development is expected to be negative in 2013 as a result and EBITDA growth will be under significant pressure.

### SUB SAHARAN AFRICA (“TELECEL GLOBE”)

Telecel Globe subscribers increased by 17% YoY to approximately 4.1 million, while the number of subscribers in Zimbabwe, which is not consolidated, increased by 33% YoY. In CAR, revenues decreased by 28% YoY in local currency terms due to the ongoing security situation that followed the armed rebellion. In Burundi, revenues grew by 3% YoY in local currency terms, mainly driven by 1% growth in subscribers to approximately 1.2 million.

### SOUTH EAST ASIA

On April 19<sup>th</sup> 2013 VimpelCom announced the sale of its indirect stake in Sotelco Ltd. in Cambodia to its local partner, Mr. Huot Vanthan. In Laos, revenues decreased by 2% YoY driven by the lower subscribers base.

## AFRICA & ASIA\* KEY INDICATORS

| USD mln                         | 1Q13         | 1Q12         | YoY        |
|---------------------------------|--------------|--------------|------------|
| <b>Total operating revenues</b> | <b>864</b>   | <b>927</b>   | <b>-7%</b> |
| Total operating expenditures    | 452          | 503          | -10%       |
| <b>EBITDA</b>                   | <b>412</b>   | <b>424</b>   | <b>-3%</b> |
| <b>EBITDA margin</b>            | <b>47.7%</b> | <b>45.7%</b> | <b>-</b>   |
| Capex                           | 30           | 69           | -56%       |
| <b>Capex / revenues</b>         | <b>3%</b>    | <b>7%</b>    | <b>-</b>   |
| Mobile Subscribers ('000)**     | 85,121       | 83,273       | 2%         |

\* Africa & Asia operations include operations in Algeria, Pakistan, Bangladesh, Sub-Saharan Africa and South East Asia.

For details per country unit please see Attachment B

\*\* Following the sale of Vietnam the subscriber numbers for 1Q12 exclude Vietnam subscribers of 3 million.

## AFRICA & ASIA BUSINESS UNIT: COUNTRY DETAIL

### ALGERIA

| DZD bln                         | 1Q13         | 1Q12         | YoY        |
|---------------------------------|--------------|--------------|------------|
| <b>Total operating revenues</b> | <b>34</b>    | <b>34</b>    | <b>-1%</b> |
| <b>EBITDA</b>                   | <b>20</b>    | <b>21</b>    | <b>-2%</b> |
| <b>EBITDA margin</b>            | <b>59.2%</b> | <b>60.0%</b> | <b>-</b>   |

### PAKISTAN

| PKR bln                         | 1Q13         | 1Q12         | YoY       |
|---------------------------------|--------------|--------------|-----------|
| <b>Total operating revenues</b> | <b>27</b>    | <b>26</b>    | <b>5%</b> |
| <b>EBITDA</b>                   | <b>12</b>    | <b>11</b>    | <b>5%</b> |
| <b>EBITDA margin</b>            | <b>42.3%</b> | <b>42.2%</b> | <b>-</b>  |

### BANGLADESH

| BDT bln                         | 1Q13         | 1Q12         | YoY         |
|---------------------------------|--------------|--------------|-------------|
| <b>Total operating revenues</b> | <b>9</b>     | <b>11</b>    | <b>-13%</b> |
| <b>EBITDA</b>                   | <b>4</b>     | <b>4</b>     | <b>5%</b>   |
| <b>EBITDA margin</b>            | <b>41.3%</b> | <b>34.0%</b> | <b>-</b>    |

## BUSINESS UNIT UKRAINE – FINANCIAL AND OPERATING RESULTS

- Revenues increased 3% YoY to UAH 3.2 billion, supported by growth of fixed broadband
- Strong increase in data revenues; mobile data revenues up 8% YoY
- EBITDA declined 1% YoY to UAH 1.6 billion; EBITDA margin of 49.0%
- Mobile subscriber base grew 11% YoY to 27.5 million
- Fixed broadband subscribers increased 44% YoY to 663 thousand

The Ukraine Business Unit completed the transition of its mobile subscriber base to bundled tariff plans as of the end of the first quarter, solidifying its market position in the mobile segment and successfully lowering churn. The Company's mobile subscriber base increased by 11% YoY to 27.5 million as a result of its improved market offering and regionalized sales efforts.

- Total revenues grew 3% YoY to UAH 3.2 billion.
- Mobile revenues grew 2% YoY to UAH 2.9 billion, driven by increased sales of equipment and accessories and strong growth in revenues from value added services. ARPU declined by 6% YoY to UAH 35.1 due to the transitioning to bundled tariff plans and an increase in the number of lower ARPU subscribers in the customer base.
- Fixed-line revenues were up 13% YoY as a result of strong growth in fixed residential broadband (FTTB) revenue. As reported in previous quarters, FTTB revenue continued to outgrow the market, increasing by 65% YoY driven by growth in the fixed broadband subscriber base of 44% YoY to 663 thousand and 11% YoY growth of fixed broadband ARPU to UAH 50.0.
- EBITDA decreased 1% YoY to UAH 1.6 billion and EBITDA margin declined 2.1 p.p. YoY to 49% in 1Q13. The decrease is mainly due to higher commercial costs associated with increased sales and an increase in Network & IT costs and G&A costs, partially offset by savings in HR costs.
- CAPEX was UAH 336 million in 1Q13 and LTM CAPEX/Revenues was 14%, reflecting a declining trend as a result of reduced investments in the FTTB network due to completion of the rollout.

## UKRAINE KEY INDICATORS

| UAH mln                                 | 1Q13         | 1Q12         | YoY        |
|---|--------------|--------------|------------|
| <b>Total operating revenues</b>         | <b>3,162</b> | <b>3,079</b> | <b>3%</b>  |
| Total operating expenditures            | 1,612        | 1,505        | 7%         |
| <b>EBITDA</b>                           | <b>1,550</b> | <b>1,574</b> | <b>-1%</b> |
| <b>EBITDA margin</b>                    | <b>49.0%</b> | <b>51.1%</b> | <b>-</b>   |
| Capex                                   | 336          | 356          | -6%        |
| Capex / revenues                        | 11%          | 12%          | -          |
| <b>Mobile</b>                           |              |              |            |
| Mobile total operating revenues         | 2,896        | 2,844        | 2%         |
| Mobile subscribers ('000)               | 27,538       | 24,890       | 11%        |
| Mobile ARPU (UAH)                       | 35           | 37           | -6%        |
| MOU (min)                               | 464          | 482          | -4%        |
| <b>Fixed-line</b>                       |              |              |            |
| Fixed-line total operating revenues     | 265          | 235          | 13%        |
| Fixed-line broadband revenues           | 96           | 58           | 64%        |
| Fixed-line broadband subscribers ('000) | 663          | 461          | 44%        |
| Fixed-line broadband ARPU (UAH)         | 50           | 45           | 11%        |

## BUSINESS UNIT CIS – FINANCIAL AND OPERATING RESULTS

- Revenues increased by 20% YoY organically, with strong positive impact from Uzbekistan
- EBITDA reached USD 220 million, with organic growth of 38% YoY
- EBITDA margin expanded 6.4 p.p to 48.8%
- Mobile subscribers increased 16% YoY to 24 million
- Mobile data subscriber base grew 28% YoY to 12.6 million
- Fixed broadband subscriber base increased 41% to 343 thousand

The CIS Business Unit continued to perform strongly in 1Q13, delivering double digit YoY organic growth in both revenue and EBITDA. Results were substantially positively impacted by the situation in Uzbekistan following the network closure of a competitor's network by the Uzbek authorities as of 3Q12.

VimpelCom increased its mobile subscriber base in the CIS by 16% YoY, mainly driven by 40% growth in subscribers in Uzbekistan. The Company continued to face particularly strong competition in Kazakhstan, as well as in Armenia and Kyrgyzstan.

- In 1Q13, total revenues grew organically by 20% YoY with the main contribution coming from Uzbekistan. Reported revenues grew 19% to USD 451 million. If Uzbekistan would have been adjusted to the growth level of 1H12, the revenue organic growth in 1Q13 would have been 7% YoY.
- Total mobile revenues increased organically by 21% YoY in 1Q13.
- Fixed-line revenues increased organically by 5% YoY due to strong growth in Kazakhstan.
- EBITDA grew 38% organically and 37% on a reported basis mainly due to strong mobile revenue growth in Uzbekistan, but also in Kyrgyzstan and Tajikistan. If Uzbekistan would have been adjusted to the growth level of 1H12, EBITDA organic growth would have been 6%.
- EBITDA margin improved 6.4 p.p. YoY to 48.8% in 1Q13, with improvement primarily due to strong performance in Uzbekistan.
- LTM CAPEX/Revenues was 21%.

### KAZAKHSTAN

The market in Kazakhstan remained highly competitive and VimpelCom is transitioning its subscriber base to bundled tariff plans to solidify its market position, impacting revenues. This had a negative impact which is expected to continue in the coming quarters. Improvements in revenue dynamics are expected after the transition is completed. The regulator in Kazakhstan introduced a limitation on tariffs during the first quarter, which led to an APPM decline, while the MTR was cut by 15%.

Revenues in Kazakhstan increased by 1% YoY in 1Q13. This was driven by a 41% YoY increase in fixed-line revenues, partially offset by a 1% YoY decline in mobile service revenues due to decreased voice revenues. Churn in Kazakhstan is improving as a result of the introduction of a loyalty program and the Company's efforts around tariff plans. Mobile data revenues increased 38% YoY in 1Q13 as a result of the Company's focus on increasing data usage for small screens. EBITDA grew 5% YoY and EBITDA margin improved 1.7 p.p. to 46.7%, supported by a reduction in MTR that led to lower MTR costs, as well as decreases in commercial costs as a result of the introduction of a revenue share model with the distribution channel.

### UZBEKISTAN

In Uzbekistan, VimpelCom continued to strengthen its market position in 1Q13 after the closure of a competitor's network started in 3Q12. Revenue was up 100% YoY, driven by a 40% YoY increase in the subscriber base and a 43% YoY increase in ARPU due to growth of high value subscribers and increasing mobile data revenues. EBITDA grew 192% YoY and EBITDA margin was 65.2%, a strong increase from 44.6% in 1Q12. These results were supported by the exceptional revenue growth and control of structural OPEX. The main focus of management in Uzbekistan is to sustain quality of service and further improve network capacity.

## KYRGYZSTAN

Kyrgyzstan continued to deliver revenue and EBITDA growth despite a highly competitive environment. Revenues increased organically by 31% YoY in 1Q13 primarily supported by growth in interconnect revenue due to increased interconnect rates. Additionally mobile data revenue grew 34% YoY despite a 5% YoY decline in the subscriber base. EBITDA grew organically by 20% YoY and EBITDA margin was 51.1%.

## ARMENIA

Revenues in Armenia declined organically by 6% YoY in 1Q13, primarily due to stagnating fixed-line and mobile voice revenues, as well as lower sales of mobile equipment. The mobile segment faces strong competition and mobile data revenue growth of 33% did not fully compensate for the 6% YoY decrease in mobile voice revenue. EBITDA declined 4% YoY and EBITDA margin increased 0.9 p.p. to 39.1%.

## TAJIKISTAN

In Tajikistan, revenues increased organically by 39% YoY in 1Q13, while EBITDA increased by 41% YoY, leading to a 0.6 p.p. increase in EBITDA margin to 42.5%. The mobile subscriber base in Tajikistan increased by 15% YoY and mobile ARPU increased by 23%, mainly due to growth in interconnect revenue. Mobile data revenue grew strongly by 39% YoY.

## GEORGIA

Georgia delivered strong YoY results in 1Q13, further strengthening its market position. Subscriber growth was 11% YoY, revenues increased 24% YoY and EBITDA improved 57% YoY in local currency. EBITDA margin increased 5.8 p.p. YoY to 27.9%, primarily due to an increase in service margin and cost control.

## CIS\* KEY INDICATORS

| USD mln                                 | 1Q13         | 1Q12         | YoY        |
|---|--------------|--------------|------------|
| <b>Total operating revenues</b>         | <b>451</b>   | <b>379</b>   | <b>19%</b> |
| Total operating expenditures            | 231          | 218          | 6%         |
| <b>EBITDA</b>                           | <b>220</b>   | <b>161</b>   | <b>37%</b> |
| <b>EBITDA margin</b>                    | <b>48.8%</b> | <b>42.4%</b> | -          |
| Capex                                   | 90           | 61           | 48%        |
| Capex / revenues                        | 20%          | 16%          | -          |
| <b>Mobile</b>                           |              |              |            |
| Mobile subscribers ('000)               | 23,949       | 20,716       | 16%        |
| - of which mobile broadband ('000)      | 12,592       | 9,800        | 28%        |
| <b>Fixed</b>                            |              |              |            |
| Fixed-line broadband subscribers ('000) | 343          | 243          | 41%        |
| Fixed-line broadband revenues           | 15           | 10           | 47%        |

\* CIS operations include operations in Kazakhstan, Uzbekistan, Armenia, Kyrgyzstan, Tajikistan, and Georgia. For details per country unit please see Attachment B

## CIS BUSINESS UNIT: COUNTRY DETAIL

### KAZAKHSTAN

| KZT mln                         | 1Q13          | 1Q12          | YoY       |
|---------------------------------|---------------|---------------|-----------|
| <b>Total operating revenues</b> | <b>28,650</b> | <b>28,237</b> | <b>1%</b> |
| <b>EBITDA</b>                   | <b>13,373</b> | <b>12,706</b> | <b>5%</b> |
| <b>EBITDA margin</b>            | <b>46.7%</b>  | <b>45.0%</b>  | -         |

### UZBEKISTAN

| USD mln                         | 1Q13         | 1Q12         | YoY         |
|---------------------------------|--------------|--------------|-------------|
| <b>Total operating revenues</b> | <b>157</b>   | <b>79</b>    | <b>100%</b> |
| <b>EBITDA</b>                   | <b>102</b>   | <b>35</b>    | <b>192%</b> |
| <b>EBITDA margin</b>            | <b>65.2%</b> | <b>44.6%</b> | -           |



## CONFERENCE CALL INFORMATION

On May 15, 2013, the Company will host an analyst & investor conference call on its first quarter 2013 results. The call and slide presentation may be accessed at <http://www.vimpelcom.com>

### 2:00 pm CET investor and analyst conference call

US call-in number: +1 (877) 616-4476

International call-in number: + 1 (402) 875-4763

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The conference call replay and the slide presentations webcast will be available until May 22, 2013. The slide presentation will also be available for download on the Company's website.

### Investor and analyst call replay

US Replay number: +1 (855) 859-2056

Confirmation Code: 48702527

International replay: +1 (404) 537-3406

Confirmation Code: 48702527

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## DISCLAIMER

This press release 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 anticipated performance, refinancing plans and dividend guidelines. The forward-looking statements included in this presentation are based on management’s best assessment of the Company’s strategic and financial position and of future market conditions and trends. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of continued volatility in the economies in our markets, unforeseen developments from competition, governmental regulation of the telecommunications industries, general political uncertainties in our markets and/or litigation with third parties. There can be no assurance that such risks and uncertainties will not have a material adverse effect on the Company. Certain factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in the Company’s Annual Report on Form 20-F for the year ended December 31, 2012 filed with the U.S. Securities and Exchange Commission (the “SEC”) and other public filings made by the Company with the SEC, which risk factors are incorporated herein by reference. The Company disclaims any obligation to update developments of these risk factors or to announce publicly any revision to any of the forward-looking statements contained in this release, or to make corrections to reflect future events or developments.

## ABOUT VIMPELCOM LTD

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 Russia, Italy, Ukraine, Kazakhstan, Uzbekistan, Tajikistan, Armenia, Georgia, Kyrgyzstan, Laos, Algeria, Bangladesh, Pakistan, Burundi, Zimbabwe, Central African Republic and Canada. VimpelCom’s operations around the globe cover territory with a total population of approximately 753 million people. VimpelCom provides services under the "Beeline", "Kyivstar", "djuice", “WIND”, "Infostrada" “Mobilink”, “Leo”, “banglalink”, “Telecel”, and “Djezzy” brands. As of March 31, 2013 VimpelCom had 215 million mobile subscribers on a combined basis. VimpelCom is traded on the New York Stock Exchange under the symbol (VIP). For more information visit: <http://www.vimpelcom.com>.

## CONTENT OF THE ATTACHMENT TABLES

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For more information on financial and operating data for specific countries, please refer to the supplementary file [Factbook1Q2013.xls](http://vimpelcom.com/ir/financials/results.wbp) on our website at <http://vimpelcom.com/ir/financials/results.wbp>

## ATTACHMENT A: VIMPELCOM LTD INTERIM FINANCIAL STATEMENTS

### VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

USD mln

|   | <b>1Q13</b>  | <b>1Q12<sup>(2)</sup></b> |
|---|--------------|---------------------------|
| <b>Total operating revenues</b>   | <b>5,591</b> | <b>5,619</b>              |
| of which other revenues   | 39           | 50                        |
| <b>Operating expenses</b>   |              |                           |
| Service costs <sup>(1)(2)</sup>   | 1,485        | 1,541                     |
| Selling, general and administrative expenses <sup>(2)</sup>                           | 1,758        | 1,767                     |
| Depreciation <sup>(2)</sup>   | 766          | 721                       |
| Amortization  | 454          | 532                       |
| Impairment loss <sup>(2)</sup>  | 18           | -                         |
| Loss on disposals of non-current assets   | 3            | 43                        |
| <b>Total operating expenses</b>   | <b>4,484</b> | <b>4,604</b>              |
| <b>Operating profit</b>   | <b>1,107</b> | <b>1,015</b>              |
| Finance costs   | 523          | 484                       |
| Finance income  | (22)         | (41)                      |
| Other non-operating losses  | 26           | 26                        |
| Shares of loss of associates and joint ventures accounted for using the equity method | 65           | 16                        |
| Net foreign exchange gain   | (28)         | (63)                      |
| <b>Profit before tax</b>  | <b>543</b>   | <b>593</b>                |
| Income tax expense  | 213          | 239                       |
| <b>Profit for the period</b>  | <b>330</b>   | <b>354</b>                |
| Non-controlling interest  | (78)         | 36                        |
| <b>Net income attributable to VimpelCom shareholders</b>                              | <b>408</b>   | <b>318</b>                |

(1) Service costs include costs related to equipment and accessories

(2) Income statement 1Q12 has been amended to reflect classification of certain operating costs at the Group level without any impact on net income and performance of the business unit

## ATTACHMENT A: VIMPELCOM LTD INTERIM FINANCIAL STATEMENTS

### VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| USD mln  | 31 March 2013 | 31 December 2012<br>Restated * |
|--|---------------|--------------------------------|
| <b>Assets</b>                                      |               |                                |
| <b>Non-current assets</b>                          |               |                                |
| Property and equipment                             | 14,990        | 15,666                         |
| Intangible assets                                  | 10,214        | 10,601                         |
| Goodwill   | 16,703        | 16,964                         |
| Investments in associates and joint ventures       | 496           | 545                            |
| Deferred tax asset                                 | 331           | 312                            |
| Financial assets                                   | 1,163         | 1,091                          |
| Other non-financial assets                         | 29            | 18                             |
| <b>Total non-current assets</b>                    | <b>43,926</b> | <b>45,197</b>                  |
| <b>Current assets</b>                              |               |                                |
| Inventories  | 224           | 167                            |
| Trade and other receivables                        | 2,466         | 2,495                          |
| Other non-financial assets                         | 1,308         | 1,290                          |
| Current income tax asset                           | 220           | 292                            |
| Other financial assets                             | 400           | 270                            |
| Cash and cash equivalents                          | 5,564         | 4,949                          |
| <b>Total current assets</b>                        | <b>10,182</b> | <b>9,463</b>                   |
| Assets classified as held for sale                 | 183           | 77                             |
| <b>Total assets</b>                                | <b>54,291</b> | <b>54,737</b>                  |
| <b>Equity and liabilities</b>                      |               |                                |
| <b>Equity</b>                                      |               |                                |
| Equity attributable to equity owners of the parent | 14,410        | 14,246                         |
| Non-controlling interests                          | 467           | 503                            |
| <b>Total equity</b>                                | <b>14,877</b> | <b>14,749</b>                  |
| <b>Non-current liabilities</b>                     |               |                                |
| Financial liabilities                              | 27,219        | 25,693                         |
| Provisions   | 557           | 548                            |
| Other non-financial liabilities                    | 394           | 410                            |
| Deferred tax liability                             | 1,349         | 1,416                          |
| <b>Total non-current liabilities</b>               | <b>29,519</b> | <b>28,067</b>                  |
| <b>Current liabilities</b>                         |               |                                |
| Trade and other payables                           | 3,999         | 4,585                          |
| Dividend payables                                  | -             | 1,274                          |
| Other non-financial liabilities                    | 2,242         | 2,243                          |
| Other financial liabilities                        | 3,251         | 3,388                          |
| Current income tax payable                         | 161           | 202                            |
| Provisions   | 170           | 192                            |
| <b>Total current liabilities</b>                   | <b>9,823</b>  | <b>11,884</b>                  |
| Liabilities associated with assets held for sale   | 72            | 37                             |
| <b>Total equity and liabilities</b>                | <b>54,291</b> | <b>54,737</b>                  |

\* Certain amounts shown here do not correspond to the annual consolidated financial statements as at 31 December 2012 and reflect adjustments made with respect to the investment in Euroset. The investment has been revalued in Q4 2012 following the requirements of IAS 28 Investments in Associates increasing the net result by USD 606 million and currency translation of USD 17 million. Due the adoption of a new standard IFRS 11 Joint Arrangements in 2013 and its retrospective application, VimpelCom, based on the applicable IFRS guidance, had to restate the opening balances to reverse the above mentioned revaluation

## ATTACHMENT A: VIMPELCOM LTD INTERIM FINANCIAL STATEMENTS

### VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

USD mln

|  | 1Q13           | 1Q12*        |
|--|----------------|--------------|
| <b>Operating activities</b>  |                |              |
| Profit after tax   | 330            | 354          |
| Tax expense  | 213            | 239          |
| <b>Profit before tax</b>   | <b>543</b>     | <b>593</b>   |
| <b>Non-cash adjustment to reconcile profit before tax to net cash flows:</b> |                |              |
| Depreciation   | 766            | 721          |
| Amortization   | 454            | 532          |
| Impairment loss  | 18             | -            |
| Loss on disposals of non-current assets                                      | 3              | 43           |
| Finance income   | (22)           | (41)         |
| Finance costs  | 523            | 484          |
| Other non-operating losses   | 26             | 26           |
| Net foreign exchange gain  | (28)           | (63)         |
| Share of loss of associate   | 65             | 16           |
| Movements in provisions and pensions   | 27             | 6            |
| <b>Cash from operations</b>  | <b>2,375</b>   | <b>2,317</b> |
| <b>Working capital adjustments:</b>  |                |              |
| Change in trade and other receivables and prepayments*                       | (58)           | 78           |
| Change in inventories  | (58)           | -            |
| Change in trade and other payables*  | (178)          | (95)         |
| <b>Interest and income tax:</b>  |                |              |
| Interest paid*   | (607)          | (628)        |
| Interest received  | 26             | 96           |
| Income tax paid  | (226)          | (161)        |
| <b>Net cash flows from operating activities</b>                              | <b>1,274</b>   | <b>1,607</b> |
| <b>Investing activities:</b>   |                |              |
| Proceeds from sale of property, plant and equipment and intangible assets    | 26             | 7            |
| Purchase of property, plant and equipment and intangible assets              | (890)          | (872)        |
| Payments of loans granted  | (36)           | (50)         |
| Receipts/(payments) from deposits and loans granted                          | (148)          | 1            |
| Other  | (6)            | (1)          |
| <b>Net cash flows used in investing activities</b>                           | <b>(1,054)</b> | <b>(915)</b> |
| <b>Financing activities:</b>   |                |              |
| Acquisition of non-controlling interest                                      | -              | (9)          |
| Proceeds from borrowings net of fees paid                                    | 2,027          | 1,412        |
| Repayment of borrowings  | (234)          | (462)        |
| Dividends paid to equity holders of the parent                               | (1,295)        | -            |
| <b>Net cash flows used in financing activities</b>                           | <b>498</b>     | <b>942</b>   |
| Net increase in cash and cash equivalents                                    | 718            | 1,633        |
| Net foreign exchange difference  | (103)          | 75           |
| Cash and cash equivalents re-classified as held for sale                     | -              | (128)        |
| Cash and cash equivalents at beginning of period                             | 4,949          | 2,325        |
| <b>Cash and cash equivalents at end of period</b>                            | <b>5,564</b>   | <b>3,905</b> |

\* The amount of Interest paid was amended to reflect its proper classification without any impact on Net cash from operating activities

## ATTACHMENT B: COUNTRY UNITS KEY INDICATORS

### AFRICA & ASIA BUSINESS UNIT: COUNTRY DETAIL

#### ALGERIA

| DZD bln                         | 1Q13         | 1Q12         | YoY        |
|---------------------------------|--------------|--------------|------------|
| <b>Total operating revenues</b> | <b>34</b>    | <b>34</b>    | <b>-1%</b> |
| <b>EBITDA</b>                   | <b>20</b>    | <b>21</b>    | <b>-2%</b> |
| <b>EBITDA margin</b>            | <b>59.2%</b> | <b>60.0%</b> | -          |
| Capex (USD)                     | 9            | 10           | -15%       |
| Capex / revenues (USD)          | 2%           | 2%           | -          |
| Mobile                          |              |              |            |
| Subscribers ('000)              | 17,931       | 17,691       | 1%         |
| ARPU                            | 630          | 657          | -4%        |
| MOU (min)                       | 221          | 269          | -18%       |

#### PAKISTAN

| PKR bln                         | 1Q13         | 1Q12         | YoY       |
|---------------------------------|--------------|--------------|-----------|
| <b>Total operating revenues</b> | <b>27</b>    | <b>26</b>    | <b>5%</b> |
| <b>EBITDA</b>                   | <b>12</b>    | <b>11</b>    | <b>5%</b> |
| <b>EBITDA margin</b>            | <b>42.3%</b> | <b>42.2%</b> | -         |
| Capex (USD)                     | 9            | 24           | -63%      |
| Capex / revenues (USD)          | 3%           | 8%           | -         |
| Mobile                          |              |              |           |
| Subscribers ('000)              | 36,316       | 35,788       | 1%        |
| ARPU                            | 244          | 239          | 2%        |
| MOU (min)                       | 228          | 215          | 6%        |

#### BANGLADESH

| BDT bln                         | 1Q13         | 1Q12         | YoY         |
|---------------------------------|--------------|--------------|-------------|
| <b>Total operating revenues</b> | <b>9</b>     | <b>11</b>    | <b>-13%</b> |
| <b>EBITDA</b>                   | <b>4</b>     | <b>4</b>     | <b>5%</b>   |
| <b>EBITDA margin</b>            | <b>41.3%</b> | <b>34.0%</b> | -           |
| Capex (USD)                     | 12           | 29           | -60%        |
| Capex / revenues (USD)          | 10%          | 22%          | -           |
| Mobile                          |              |              |             |
| Subscribers ('000)              | 25,921       | 24,742       | 5%          |
| ARPU                            | 119          | 145          | -18%        |
| MOU (min)                       | 175          | 217          | -19%        |

#### SUB SAHARAN AFRICA (TELECEL GLOBE)

| USD mln                         | 1Q13         | 1Q12         | YoY        |
|---------------------------------|--------------|--------------|------------|
| <b>Total operating revenues</b> | <b>20</b>    | <b>22</b>    | <b>-9%</b> |
| <b>EBITDA</b>                   | <b>6</b>     | <b>6</b>     | <b>-3%</b> |
| <b>EBITDA margin</b>            | <b>29.9%</b> | <b>28.1%</b> | -          |
| Mobile                          |              |              |            |
| Subscribers ('000)              | 4,106        | 3,499        | 17%        |

#### SEA (CONSOLIDATED)

| USD mln                         | 1Q13        | 1Q12        | YoY         |
|---------------------------------|-------------|-------------|-------------|
| <b>Total operating revenues</b> | <b>12</b>   | <b>23</b>   | <b>-48%</b> |
| <b>EBITDA</b>                   | <b>(1)</b>  | <b>(6)</b>  | <b>-85%</b> |
| <b>EBITDA margin</b>            | <b>n.a.</b> | <b>n.a.</b> | -           |
| Mobile                          |             |             |             |
| Subscribers ('000)              | 846         | 1,554       | -46%        |

## CIS BUSINESS UNIT: COUNTRY DETAIL

### KAZAKHSTAN

| KZT mln                         | 1Q13          | 1Q12          | YoY       |
|---------------------------------|---------------|---------------|-----------|
| <b>Total operating revenues</b> | <b>28,650</b> | <b>28,237</b> | <b>1%</b> |
| <b>EBITDA</b>                   | <b>13,373</b> | <b>12,706</b> | <b>5%</b> |
| <b>EBITDA margin</b>            | <b>46.7%</b>  | <b>45.0%</b>  | -         |
| Capex (USD)                     | 25            | 13            | 91%       |
| Capex / revenues (USD)          | 13%           | 7%            | -         |
| <b>Mobile</b>                   |               |               |           |
| Subscribers ('000)              | 8,512         | 8,364         | 2%        |
| ARPU (KZT)                      | 1,012         | 1,049         | -3%       |
| MOU (min)                       | 254           | 180           | 41%       |

### ARMENIA

| AMD mln                         | 1Q13          | 1Q12          | YoY        |
|---------------------------------|---------------|---------------|------------|
| <b>Total operating revenues</b> | <b>14,179</b> | <b>15,104</b> | <b>-6%</b> |
| <b>EBITDA</b>                   | <b>5,551</b>  | <b>5,766</b>  | <b>-4%</b> |
| <b>EBITDA margin</b>            | <b>39.1%</b>  | <b>38.2%</b>  | -          |
| Capex (USD)                     | 1             | 3             | -61%       |
| Capex / revenues (USD)          | 4%            | 8%            | -          |
| <b>Mobile</b>                   |               |               |            |
| Subscribers ('000)              | 756           | 753           | 0%         |
| ARPU (AMD)                      | 2,446         | 2,508         | -2%        |
| MOU (min)                       | 295           | 252           | 17%        |

### UZBEKISTAN

| USD mln                         | 1Q13         | 1Q12         | YoY         |
|---------------------------------|--------------|--------------|-------------|
| <b>Total operating revenues</b> | <b>157</b>   | <b>79</b>    | <b>100%</b> |
| <b>EBITDA</b>                   | <b>102</b>   | <b>35</b>    | <b>192%</b> |
| <b>EBITDA margin</b>            | <b>65.2%</b> | <b>44.6%</b> | -           |
| Capex (USD)                     | 59           | 38           | 54%         |
| Capex / revenues (USD)          | 37%          | 49%          | -           |
| <b>Mobile</b>                   |              |              |             |
| Subscribers ('000)              | 10,303       | 7,344        | 40%         |
| ARPU (USD)                      | 5            | 4            | 43%         |
| MOU (min)                       | 425          | 376          | 13%         |

### TAJIKISTAN

| USD mln                         | 1Q13         | 1Q12         | YoY        |
|---------------------------------|--------------|--------------|------------|
| <b>Total operating revenues</b> | <b>29</b>    | <b>21</b>    | <b>39%</b> |
| <b>EBITDA</b>                   | <b>12</b>    | <b>9</b>     | <b>41%</b> |
| <b>EBITDA margin</b>            | <b>42.5%</b> | <b>41.9%</b> | -          |
| Capex (USD)                     | 4            | 3            | 27%        |
| Capex / revenues (USD)          | 12%          | 13%          | -          |
| <b>Mobile</b>                   |              |              |            |
| Subscribers ('000)              | 1,161        | 1,008        | 15%        |
| ARPU (USD)                      | 8            | 7            | 23%        |
| MOU (min)                       | 235          | 219          | 8%         |



## GEORGIA

| GEL mln                         | 1Q13         | 1Q12         | YoY        |
|---------------------------------|--------------|--------------|------------|
| <b>Total operating revenues</b> | <b>33</b>    | <b>27</b>    | <b>24%</b> |
| <b>EBITDA</b>                   | <b>9</b>     | <b>6</b>     | <b>57%</b> |
| <b>EBITDA margin</b>            | <b>27.9%</b> | <b>22.1%</b> | <b>-</b>   |
| Capex (USD)                     | 1            | 3            | -78%       |
| Capex / revenues (USD)          | 3%           | 17%          | -          |
| <b>Mobile</b>                   |              |              |            |
| Subscribers ('000)              | 971          | 875          | 11%        |
| ARPU (GEL)                      | 10           | 10           | 6%         |
| MOU (min)                       | 253          | 216          | 17%        |

## KYRGYZSTAN

| KGS mln                         | 1Q13         | 1Q12         | YoY        |
|---------------------------------|--------------|--------------|------------|
| <b>Total operating revenues</b> | <b>2,093</b> | <b>1,602</b> | <b>31%</b> |
| <b>EBITDA</b>                   | <b>1,069</b> | <b>889</b>   | <b>20%</b> |
| <b>EBITDA margin</b>            | <b>51.1%</b> | <b>55.5%</b> | <b>-</b>   |
| Capex (USD)                     | 1            | 2            | -30%       |
| Capex / revenues (USD)          | 3%           | 5%           | -          |
| <b>Mobile</b>                   |              |              |            |
| Subscribers ('000)              | 2,245        | 2,373        | -5%        |
| ARPU (KGS)                      | 294          | 223          | 32%        |
| MOU (min)                       | 228          | 272          | -16%       |

## CANADA KEY INDICATORS

| Mobile             | 1Q13 | 1Q12 | YoY |
|--------------------|------|------|-----|
| Subscribers ('000) | 602  | 415  | 28% |
| ARPU (CAD)         | 31.6 | 27.3 | 16% |

## ATTACHMENT C: RECONCILIATION TABLES

### RECONCILIATION OF CONSOLIDATED EBITDA OF VIMPELCOM\*

| USD mln   | 1Q13  | 1Q12** |
|---|-------|--------|
| <b>Unaudited</b>  |       |        |
| EBITDA  | 2,348 | 2,311  |
| Depreciation  | (766) | (721)  |
| Amortization  | (454) | (532)  |
| Impairment loss   | (18)  | -      |
| Loss on disposals of non-current assets   | (3)   | (43)   |
| EBIT  | 1,107 | 1,015  |
| Financial Income and Expenses   | (501) | (443)  |
| - including finance income  | 22    | 41     |
| - including finance costs   | (523) | (484)  |
| Net foreign exchange (loss)/gain and others   | (63)  | 21     |
| - including Other non-operating losses  | (26)  | (26)   |
| - including Shares of loss of associates and joint ventures accounted for using the equity method | (65)  | (16)   |
| - including Net foreign exchange gain   | 28    | 63     |
| EBT   | 543   | 593    |
| Income tax expense  | (213) | (239)  |
| Profit for the period   | 330   | 354    |
| Profit/(loss) for the period attributable to non-controlling interest                             | (78)  | 36     |
| Profit for the period attributable to the owners of the parent                                    | 408   | 318    |

\* See also the supplementary file [Factbook1Q2013.xls](http://vimpelcom.com/ir/financials/results.wbp) on our website at <http://vimpelcom.com/ir/financials/results.wbp>

\*\* Income statement 1Q12 has been amended to reflect classification of certain operating costs at the Group level without any impact on net income and performance of the business unit

## ATTACHMENT C: RECONCILIATION TABLES

### RECONCILIATION OF VIMPELCOM CONSOLIDATED NET DEBT

| USD mln   | 1Q13   | 4Q12   | 1Q12   |
|---|--------|--------|--------|
| Net debt  | 22,861 | 21,971 | 24,339 |
| Cash and cash equivalents   | 5,564  | 4,949  | 4,033  |
| Long - term and short-term deposits   | 190    | 67     | 219    |
| Gross debt  | 28,615 | 26,987 | 28,591 |
| Interest accrued related to financial liabilities                             | 448    | 536    | 450    |
| Fair value adjustment   | -      | -      | 148    |
| Unamortised fair value adjustment under acquisition method of accounting      | 62     | 794    | 909    |
| Other unamortised adjustments to financial liabilities (fees, discounts etc.) | 749    | 73     | (103)  |
| Derivatives not designated as hedges  | 466    | 453    | 403    |
| Derivatives designated as hedges  | 131    | 237    | 173    |
| Total other financial liabilities   | 30,471 | 29,080 | 30,570 |

### AVERAGE RATES OF FUNCTIONAL CURRENCIES TO USD\*

|                   | Average rates |        |       | Closing rates |        |       |
|-------------------|---------------|--------|-------|---------------|--------|-------|
|                   | 1Q13          | 1Q12   | YoY   | 1Q13          | FY12   | Delta |
| Russian Ruble     | 30.41         | 30.03  | -1.2% | 31.08         | 30.37  | -2.3% |
| Euro              | 0.76          | 0.76   | 0.6%  | 0.78          | 0.76   | -2.8% |
| Algerian Dinar    | 78.65         | 75.13  | -4.5% | 79.50         | 78.94  | -0.7% |
| Pakistan Rupee    | 97.89         | 90.61  | -7.4% | 98.43         | 97.14  | -1.3% |
| Bangladeshi Taka  | 79.06         | 82.78  | 4.7%  | 78.08         | 79.78  | 2.2%  |
| Ukrainian Hryvnia | 7.99          | 7.99   | 0.0%  | 7.99          | 7.99   | 0.0%  |
| Kazakh Tenge      | 150.67        | 148.14 | -1.7% | 150.84        | 150.74 | -0.1% |
| Armenian Dram     | 409.15        | 388.47 | -5.1% | 418.58        | 403.58 | -3.6% |
| Kyrgyz Som        | 47.71         | 46.71  | -2.1% | 47.96         | 47.40  | -1.2% |

\* Functional currencies in Tajikistan, Uzbekistan and Cambodia are USD.

## ATTACHMENT D: WIND TELECOMUNICAZIONI GROUP CONDENSED STATEMENTS OF INCOME

| EUR mln                                    | 1Q13         | 1Q12         | Change      |
|--|--------------|--------------|-------------|
| <b>Total Revenue</b>                       | <b>1,229</b> | <b>1,346</b> | <b>-9%</b>  |
| <b>EBITDA</b>                              | 461          | 487          | -5.4%       |
| D&A  | (312)        | (270)        | 15.6%       |
| EBIT                                       | 149          | 217          | -31.5%      |
| Financial Income and expenses              | (207)        | (220)        | -6.0%       |
| EBT  | (58)         | (3)          | n.a.        |
| Income Tax                                 | (21)         | (38)         | -43.6%      |
| Profit/(Loss) from discontinued operations | -            | -            | -           |
| <b>Net income</b>                          | <b>(79)</b>  | <b>(40)</b>  | <b>n.a.</b> |

## ATTACHMENT E: DEFINITIONS

**ARPU (Monthly Average Revenue per User)** is calculated by dividing service revenue during the relevant period, including revenue from voice-, roaming-, interconnect-, and value added services (including mobile data, SMS, MMS), but excluding revenue from visitors roaming, connection fees, sales of handsets and accessories and other non-service revenue, by the average number of subscribers during the period and dividing by the number of months in that period. For Business Unit Italy visitors roaming revenue is included into service revenues.

**Broadband subscribers** are the customer contracts that served as a basis for revenue generating activity in the three months prior to the measurement date, as a result of activities including monthly internet access using FTTB and xDSL technologies as well as mobile internet access via WiFi and USB modems using 3G/HSDPA technologies. Italian and CIS subsidiaries measure broadband subscribers based on the number of active contracts signed. Russian Business Unit includes IPTV activities.

**Capital expenditures (CAPEX)**, purchases of new equipment, new construction, upgrades, software, other long lived assets and related reasonable costs incurred prior to intended use of the non current asset, accounted at the earliest event of advance payment or delivery. Long-lived assets acquired in business combinations are not included in capital expenditures.

**EBIT** is a non-U.S. GAAP measure and is calculated as EBITDA plus depreciation, amortization and impairment loss. Our management uses EBIT as a supplemental performance measure and believes that it provides useful information of earnings of the Company before making accruals for financial income and expenses and Net foreign exchange (loss)/gain and others. Reconciliation of EBIT to net income attributable to VimpelCom Ltd., the most directly comparable U.S. GAAP financial measure, is presented above.

**EBITDA** is a non-U.S. GAAP financial measure. EBITDA is defined as earnings before interest, tax, depreciation and amortization. VimpelCom calculates EBITDA as operating income before depreciation, amortization and impairment loss and includes certain non-operating losses and gains mainly represented by litigation provisions for all of its Business Units except for its Russia Business Unit. The Russia Business Unit's EBITDA is calculated as operating income before depreciation and amortization. EBITDA should not be considered in isolation or as a substitute for analyses of the results as reported under U.S. GAAP. Historically our management used OIBDA (defined as operating income before depreciation, amortization and impairment losses) instead of EBITDA. Following the acquisition of WIND Telecom, our management concluded that EBITDA is a more appropriate measure because it is more widely used amongst European-based analysts and investors to assess the performance of an entity and compare it with other market players. Our management uses EBITDA and EBITDA margin as supplemental performance measures and believes that EBITDA and EBITDA margin provide useful information to investors because they are indicators of the strength and performance of the Company's business operations, including its ability to fund discretionary spending, such as capital expenditures, acquisitions and other investments, as well as indicating its ability to incur and service debt. In addition, the components of EBITDA include the key revenue and expense items for which the Company's operating managers are responsible and upon which their performance is evaluated. EBITDA also assists management and investors by increasing the comparability of the Company's performance against the performance of other telecommunications companies that provide EBITDA information. This increased comparability is achieved by excluding the potentially inconsistent effects between periods or companies of depreciation, amortization and impairment losses, which items may significantly affect operating income between periods. However, our EBITDA results may not be directly comparable to other companies' reported EBITDA results due to variances and adjustments in the components of EBITDA (including our calculation of EBITDA) or calculation measures. Additionally, a limitation of EBITDA's use as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues or the need to replace capital equipment over time. Reconciliation of EBITDA to net income attributable to VimpelCom Ltd., the most directly comparable U.S. GAAP financial measure, is presented above.

**EBITDA margin** is calculated as EBITDA divided by net operating revenues, expressed as a percentage.

**Households passed** are households located within buildings, in which indoor installation of all the FTTB equipment necessary to install terminal residential equipment has been completed.

**LLU (local loop unbundling)**, in Italy, this is the regulatory process of allowing multiple telecommunications operators to use connections from Telecom Italia's local exchanges to the customer's premises.

**MNP (Mobile number portability)** is a facility provided by telecommunications operators which enables customers to keep their telephone numbers when they change operators.

**Mobile subscribers** are SIM-cards registered in the system as of a measurement date, users of which generated revenue at any time during the three months prior to the measurement date. This includes revenue coming from any incoming and outgoing calls, subscription fee accruals, debits related to service, outgoing SMS, Multimedia Messaging Service (referred to as MMS), data transmission and receipt sessions, but does not include incoming SMS and MMS sent by VimpelCom or abandoned calls. VimpelCom's total number of mobile subscribers also includes SIM-cards for use of mobile Internet service via USB modems and subscribers for WiFi. The number for Italy is based on SIM-cards, users of which generated revenue at any time during the twelve months prior to the measurement date. For the purpose of this earnings release, we include all subscribers of Zimbabwe, which is accounted for as investment at cost, into Business Unit Africa & Asia and subscribers of all our Canada equity investee into Business Unit Europe and North America, both of which are included into total subscribers of VimpelCom.

**MOU (Monthly Average Minutes of Use per User)** is calculated by dividing the total number of minutes of usage for incoming and outgoing calls during the relevant period (excluding guest roamers) by the average number of mobile subscribers during the period and dividing by the number of months in that period.

**Net debt** is a non-U.S. GAAP financial measure and is calculated as the sum of interest bearing long-term debt and short-term debt minus cash and cash equivalents, long-term and short-term deposits and fair value hedge. The Company believes that net debt provides useful information to investors because it shows the amount of debt outstanding to be paid after using available cash and cash equivalent and long-term and short-term deposits. Net debt should not be considered in isolation as an alternative to long-term debt and short-term debt, or any other measure of the company financial position. Reconciliation of net debt to long-term debt and short-term debt, the most directly comparable U.S. GAAP financial measures, is presented below in the reconciliation tables section.

**Net foreign exchange (loss)/gain and others** represents the sum of Net foreign exchange (loss)/gain, Equity in net (loss)/gain of associates and Other (expense)/income, net (primarily losses from derivative instruments), and is adjusted for certain non-operating losses and gains mainly represented by litigation provisions. Our management uses Net foreign exchange (loss)/gain and others as a supplemental performance measure and believes that it provides useful information about the impact of our debt denominated in foreign currencies on our results of operations due to fluctuations in exchange rates, the performance of our equity investees and other losses and gains the Company needs to manage to run the business.

**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.

**Reportable segments**, the Company identified Russia, Italy, Africa & Asia, CIS and Ukraine based on the business activities in different geographical areas. Although Georgia is no longer a member of the CIS, consistent with VimpelCom's historic reporting practice VimpelCom continues to include Georgia in its CIS reporting segment. Intersegment revenues are eliminated in consolidation.

**Service costs**, represents costs directly associated with revenue generating activity such as traffic related expenses, cost of content and sim-cards as well as cost of handsets, telephone equipment and accessories sold.

**Selling, general and administrative expenses**, represents expenses associated with customer acquisition and retention activities, network and IT maintenance, regular frequency payment, professional and consulting support, rent of premises, utilities, personnel and outsourcing as well as other general and administrative expenses. These expenses do not include personnel costs that have been capitalized as part of long-lived assets.