

Creating Value Investing in the Future

Investor Presentation September 2014



www.vimpelcom.com



iPad App

A well diversified leading international mobile operator

Mobile customers
220 million²



Population covered
754 million³



No 7 Mobile operator in the world¹

Countries
16

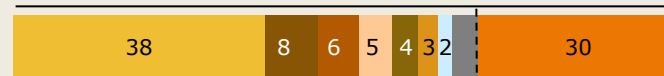


Number of brands
9



Total operating revenue (%)

USD 21.3 billion²



70% from Emerging markets

EBITDA (%)

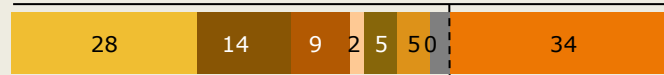
USD 9.0 billion²



73% from Emerging markets

Operating cash flow⁴ (%)

USD 4.6 billion²



66% from Emerging markets



¹ Based on mobile customers

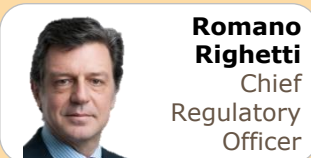
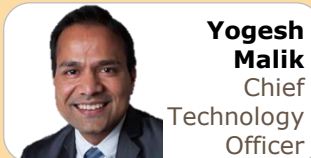
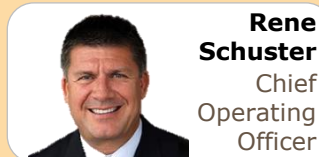
² Mobile customers as at 2Q14; Revenue, EBITDA and OCF (excluding one-offs) are LTM 2Q14

³ Population figures are provided by CIA – The World Factbook

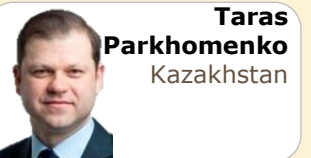
⁴ EBITDA less CAPEX excluding licenses

Experienced international management team

Uniting
9
nationalities



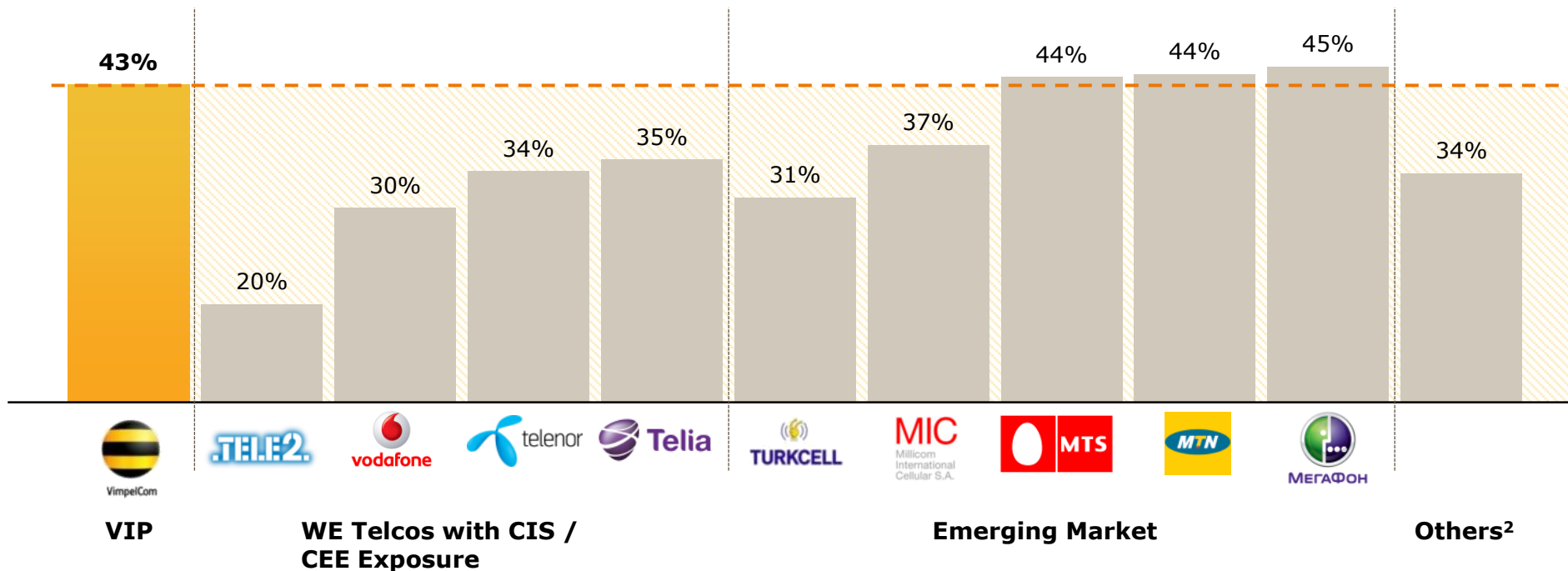
HQ Management



Business Unit Management

Strong EBITDA margin versus our global peers

EBITDA Margin (FY13)¹



¹ VIP EBITDA Margin, excluding write-off related to favorable Algeria resolution and write-off of fixed assets to operating expenses in Uzbekistan

² Others include a sample of more than 80 listed telecom operators in Developed, Emerging and Mixed Markets

Growth drivers

External growth drivers

- ▶ Customer growth from increase in mobile penetration
- ▶ Mobile data usage growth
- ▶ Continued emerging markets growth
- ▶ General economic recovery

VimpelCom's positioning

- ▶ Investing in high quality networks, 3G and 4G/LTE
- ▶ Attractive emerging markets portfolio – solid market positions and high growth potential
- ▶ Significant upsides in penetration and usage in key markets
- ▶ Global partnership agreements in the new eco system



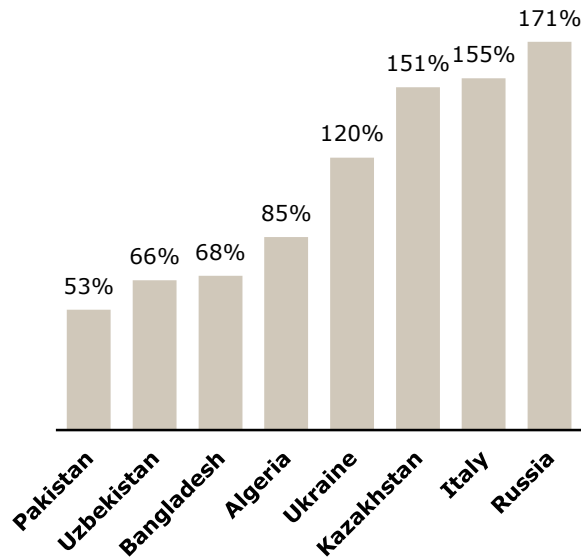
Google play



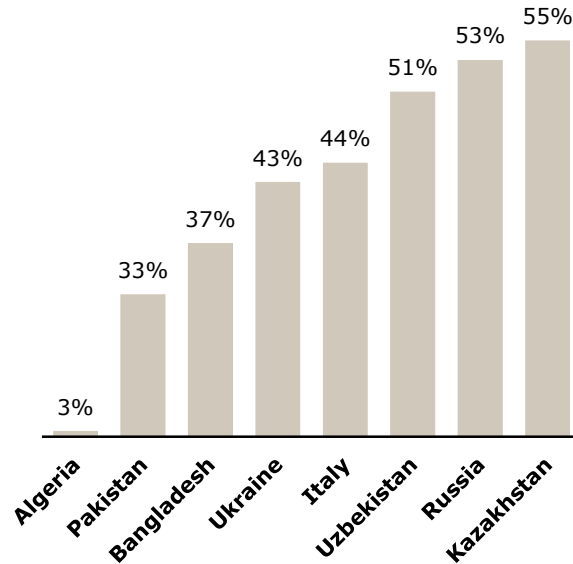
Well positioned to convert these drivers into value creation

Significant upside in terms of mobile penetration & data usage

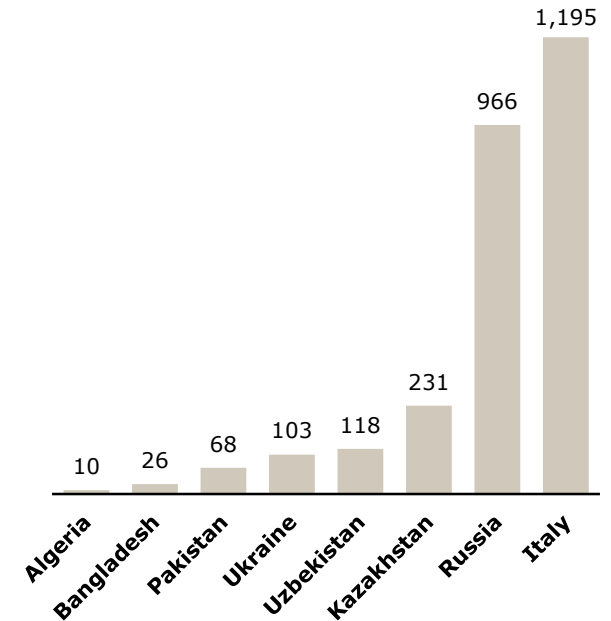
Mobile penetration¹ (%)



Mobile data penetration² (%)



Data usage² (MB / User)



¹ Mobile penetration is for the market, based on sim cards number

² Based on Company estimates 2Q14, where mobile data penetration = data users / mobile customers

Financial performance 2Q14 negatively impacted by FX

USD million	2Q14	2Q13	YoY	
Revenue	5,067	5,718	(11%)	<ul style="list-style-type: none"> Revenue declined organically 6% YoY, mainly due to continued market weakness in Italy, underperformance and market slowdown in Russia, Ukraine and Pakistan and 3G delay in Algeria
<i>of which service revenue</i>	4,861	5,440	(11%)	
EBITDA	2,076	2,425	(14%)	<ul style="list-style-type: none"> EBITDA declined organically 9% YoY, due to higher infrastructure and distribution costs in Russia, increasing frequency and utility costs in Ukraine and 3G investments in the Africa & Asia BU
EBITDA Margin	41.0%	42.4%	(1.4 p.p.)	
D&A/Other	(1,138)	(1,201)	(5%)	<ul style="list-style-type: none"> Declining amortization of intangible assets associated with the Wind Telecom acquisition
EBIT	938	1,224	(23%)	
Financial expenses	(533)	(521)	2%	
FOREX and Other	74	59	25%	
Profit before tax	479	762	(37%)	
Tax	(421)	(204)	n.m.	<ul style="list-style-type: none"> Mainly due to non-cash charges related to the refinancing of WIND and non-deductible interest expenses in Italy
Non-controlling interest	42	15	n.m.	
Net income¹	100	573	n.m.	

5.2 million new customers added in 2Q14

Resilient cash flow

USD million	2Q14	2Q13	YoY	
EBITDA	2,076	2,425	(349)	
Changes in working capital and other	(160)	(243)	83	• Mainly due to improvements in trade working capital
Net interest paid	(549)	(443)	(106)	• Accelerated interest payment related to bonds repaid with WIND refinancing
Income tax paid	(265)	(347)	82	
Net cash from operating activities	1,102	1,392	(290)	
Net cash used in investing activities	(1,060)	(677)	(383)	• Investments in high-speed data networks and 3G license in Pakistan
Net proceeds from borrowings	960	(1,106)	2,066	• WIND refinancing and drawdowns under credit facilities in 2Q14; repayment of Eurobond by OJSC VimpelCom for USD 801 million in 2Q13
Dividends paid to equity holders net of share capital issued and paid	-	(621)	621	• USD 2.0 billion in dividend payments in 2Q13, partly offset by the receipt of USD 1.4 billion for the conversion by Altimo of 128 million preferred shares
Net cash from financing activities	960	(1,727)	2,687	
Net increase in cash and cash equivalents	1,002	(1,012)	2,014	

Algeria resolution and WIND refinancing enhance earnings

- Refinanced EUR 8.0 billion of WIND's debt, annual interest savings of ~USD 0.4 billion
 - ▶ Funded by:
 - EUR 0.5 billion cash injection by VimpelCom
 - EUR 3.8 billion new Senior Notes
 - EUR 4.1 billion new Senior Secured Notes
- USD 4.0 billion net proceeds from Algeria resolution targeted for debt repayment, annual interest savings of ~USD 0.3 billion

Total annual net income improvement of ~USD 0.5 billion

VimpelCom has an attractive emerging markets portfolio

70% of revenues in emerging markets

Emerging market portfolio

	LTM 2Q14
Revenues	USD 14.8 bn
EBITDA ¹	USD 6.4 bn
CAPEX excl. licenses	USD 3.7 bn
Cash Flow ¹	USD 2.7 bn
Leverage ²	1.4

- ▶ Solid market positions in our seven major markets:
 - #1 in 4 (UKR, ALG, PAK, UZB)
 - #2 in 2 (BAN, KAZ)
 - #3 in 1 (RUS)
- ▶ Strong cash flow generation
- ▶ Low leverage

¹ Excluding one-off charges related to the Algeria resolution and Uzbekistan fixed assets write-offs; Cash Flow = EBITDA - CAPEX

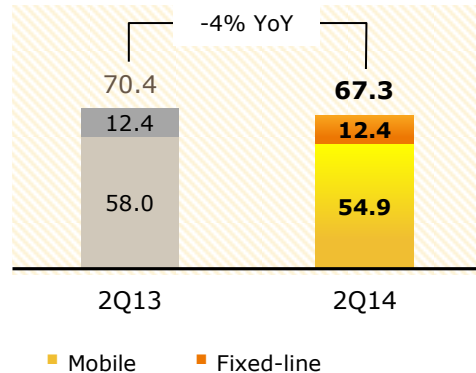
² Net Debt / LTM 2Q14 EBITDA

Note: Our Emerging Markets portfolio = BU's Russia, Africa & Asia, Ukraine and CIS

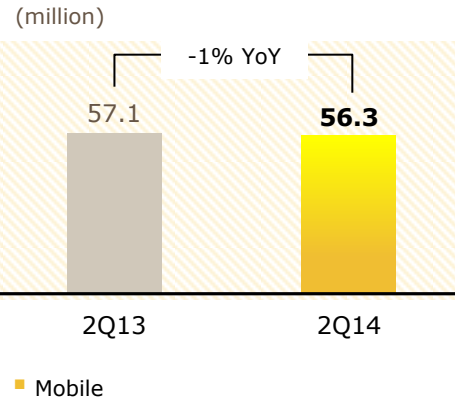
Russia: Expected YoY pressure on 2Q14 results, while investing in high-speed data network and distribution

RUB BILLION, UNLESS STATED OTHERWISE

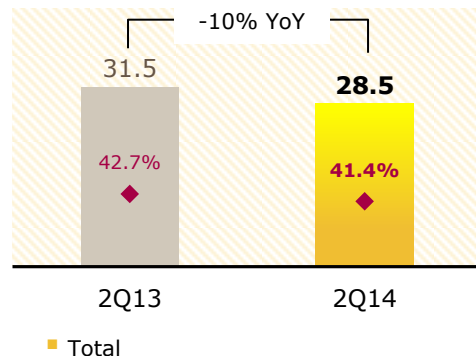
Service revenue



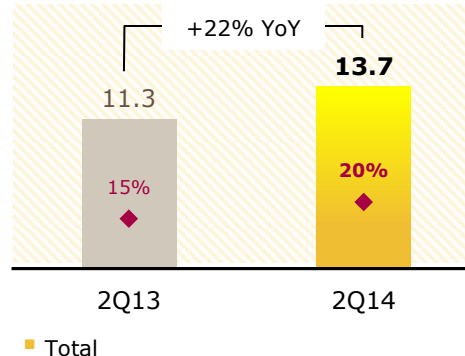
Mobile customers



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Mobile data revenue grew 17% YoY
- Mobile service revenue decreased 5% YoY, driven by measures taken to improve Customer Experience, e.g. reducing unrequested services from content providers to Beeline customers
- EBITDA margin decreased 1.3 pp due to lower revenue and investments in network and owned monobrand stores
- CAPEX increased due to investments in 3G and 4G/LTE networks

Russia: Improved network quality and customer experience



Continued investments in high-speed data networks

- Demand driven investments
- Offering 4G/LTE in 22 regions
- Avg. download speed 3.5 Mb/s¹ in Moscow & Moscow Oblast, 2.8 Mb/s¹ in Russia
- Moscow: #1 in voice quality & #2 in mobile data speed
- #1 or #2 in 75% of regions¹ in mobile data speed



4G/LTE co-branded smartphone

- Best value for money 4G/LTE smartphone in the market RUB 7,990
- Co-branded Alcatel handset
- In combination with bundled tariff plans only



Shared data service

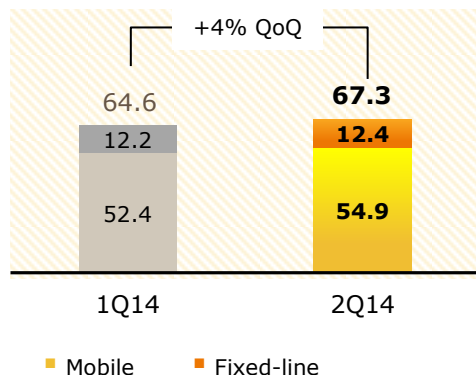
- Offering the option of multiple SIM cards for one account, making it convenient for customers to manage their data account across multiple devices

Russia: Positive QoQ developments in 2Q14

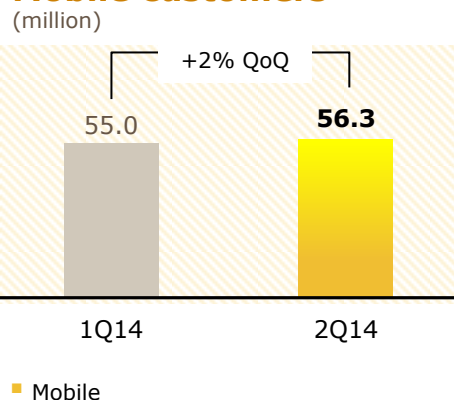
Results of actions taken to improve customer experience

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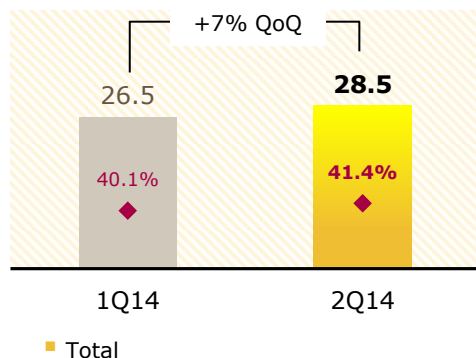
Service revenue



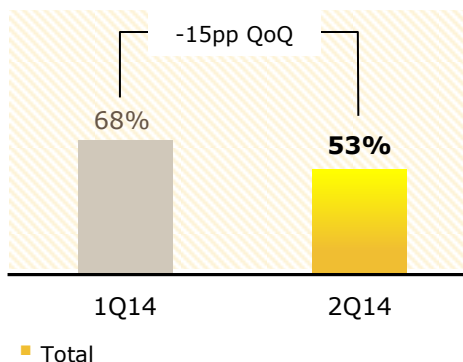
Mobile customers



EBITDA and EBITDA margin



Annualized Churn

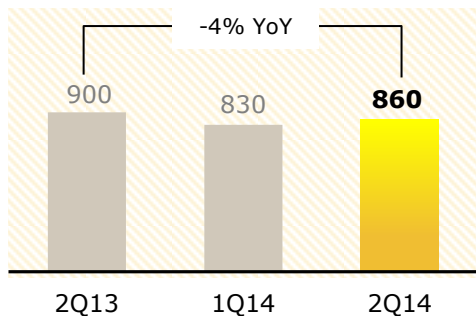


- Relative outperformance QoQ versus competition
- 1.3 million new mobile customers QoQ
- Annualized churn decreased to 53%, the lowest level in 3 years
- Net Promoter Score improved relative to competitors
- Improving market position QoQ in mobile data customers
- YoY pressure on results expected to continue for remainder of 2014, but with improving trend by 4Q14

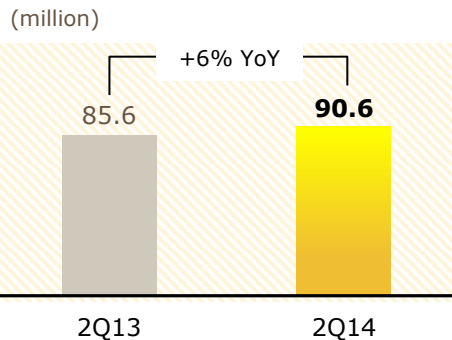
Africa & Asia: Investments in 3G networks to drive future revenue growth

USD MILLION, UNLESS STATED OTHERWISE

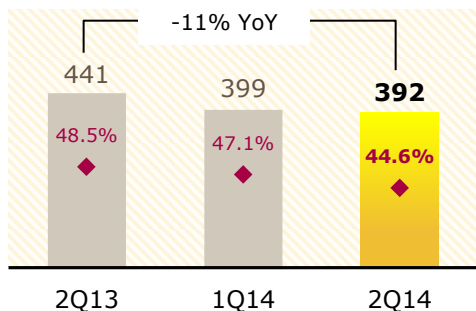
Service revenue



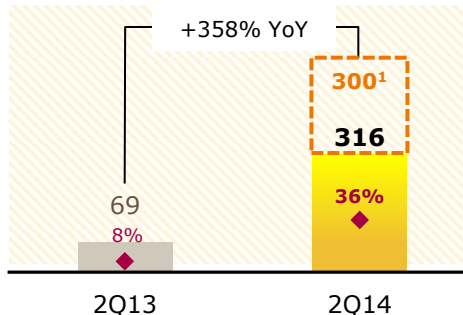
Mobile customers



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Revenue and EBITDA organically declined YoY, mainly due to Algeria and Pakistan
- Mobile customer growth of 5.0 million YoY supported by strong additions in Bangladesh and solid growth in Algeria and Pakistan
- Investments in high-speed data:
 - ▶ 3G network roll-out in Algeria and Bangladesh
 - ▶ 3G license and network roll-out as well as network modernization in Pakistan
- Commercial launch of 3G services in Algeria and Pakistan in July 2014

Note: Africa & Asia business unit includes our operations in Algeria, Pakistan, Bangladesh, Sub-Saharan Africa and Laos
 1. Amount related to the 3G license in Pakistan

Algeria: Successful 3G launch, supporting the return to growth and market share stabilization in 2H14

Resolution in Algeria – closing expected by the end of year

VimpelCom maintains management control with a strong and committed local partner



Successful 3G launch

- 3G services in the seven main provinces, including the capital, 40% coverage of revenue market
- EoY14: 19 provinces coverage
- EoY15: national coverage



3G offers for high-value customers

- High-end postpaid bundle (voice& data), packaged with a smartphone
- More than 100K customers in the first month of launch



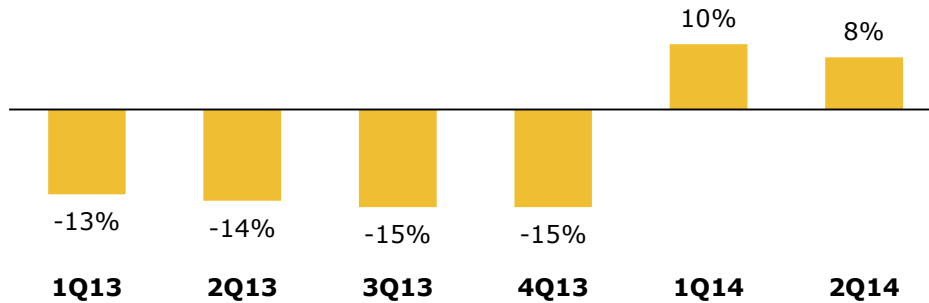
Other Unique 3G offer

- Amigo: weekly data pack, 200 Mb for DZD 150, including unlimited access to social networks

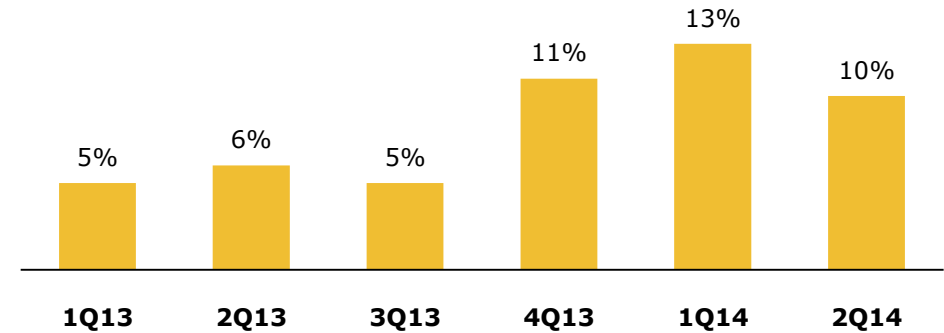
Djezzy proven to be the preferred choice of Algerians with its superior network quality, best customer service and unique commercial offers

Bangladesh: Successful turnaround and 3G launched

Mobile service revenue growth YoY (%)



Customer growth YoY (%)



3G Coverage in all 64 regions



3G handsets with bundle

- High growth potential as smartphone penetration currently only 2%



MFS growth opportunities

- Ticketing
- Payments
- Remittance
- Mobile money transfer

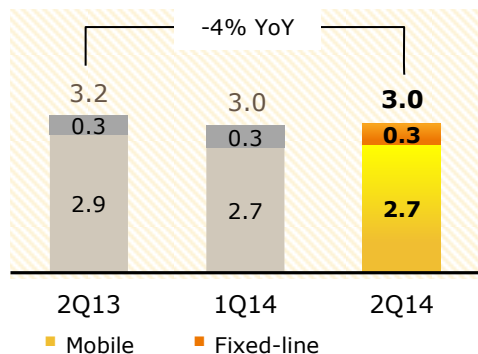
Pakistan: Addressing the underperformance

- Issues:
 - ▶ Challenging political and macro-economic environment
 - ▶ Aggressive competition on pricing of bundles and on-net offers
 - ▶ Network congestion limiting our pricing flexibility
 - ▶ Delay of network modernization
- Actions:
 - ▶ Jeffrey Hedberg appointed as CEO
 - ▶ 3G launched in 11 cities
 - ▶ Network modernization to be completed by 1Q15
 - ▶ Enhancing bundles to reduce price premium
 - ▶ New promotions and retention campaigns
 - ▶ Aggressive retail footprint rollout to fuel MFS revenue growth

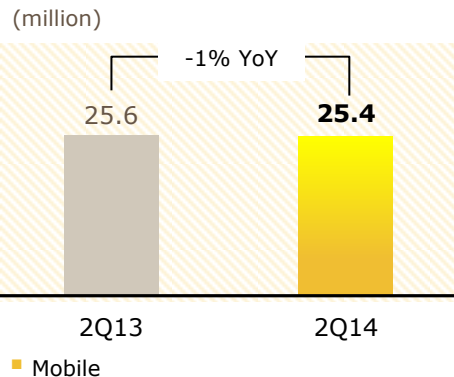
Ukraine: Transformation on track in a difficult environment

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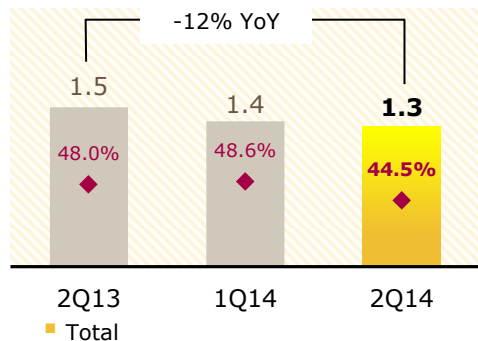
Service revenue



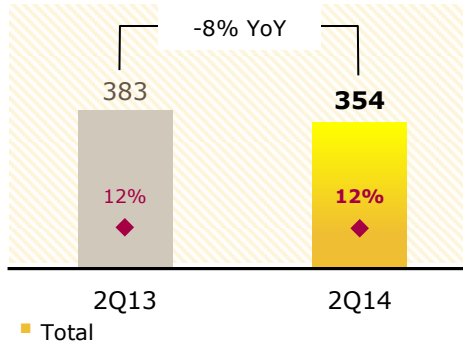
Mobile customers



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue

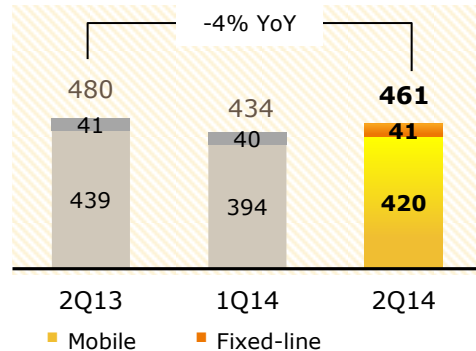


- Transformation program on track, showing improving NPS and declining churn
- Financial results negatively impacted by customer's more conservative spending
- Mobile data revenue growth 11% YoY
- EBITDA declined due to doubling of frequency fees and higher utility costs
- Resilient cash flow, facilitating regular dividend upstreams, with cash flow margin of 33%
- Environment expected to remain challenging in 2014

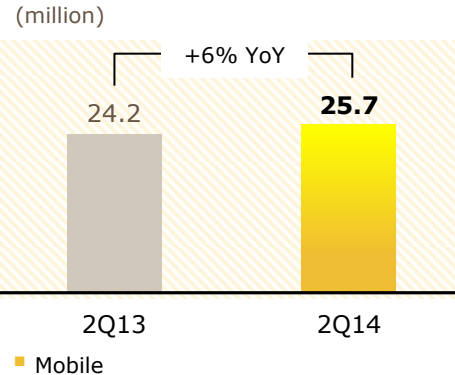
CIS: Continued organic growth in 2Q14

USD MILLION, UNLESS STATED OTHERWISE

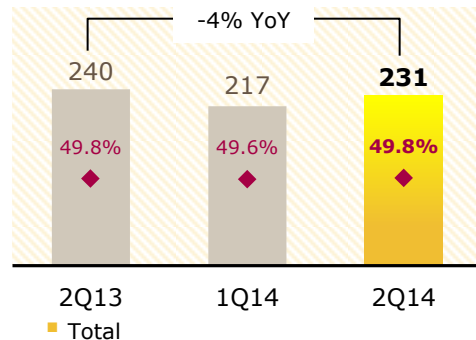
Service revenue



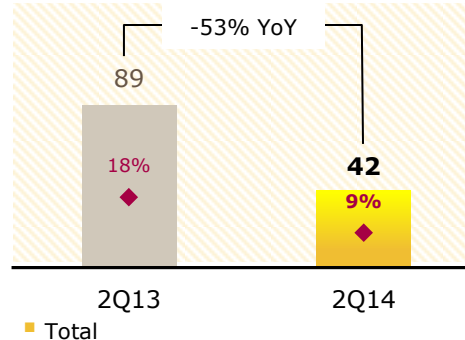
Mobile customers



EBITDA and EBITDA margin



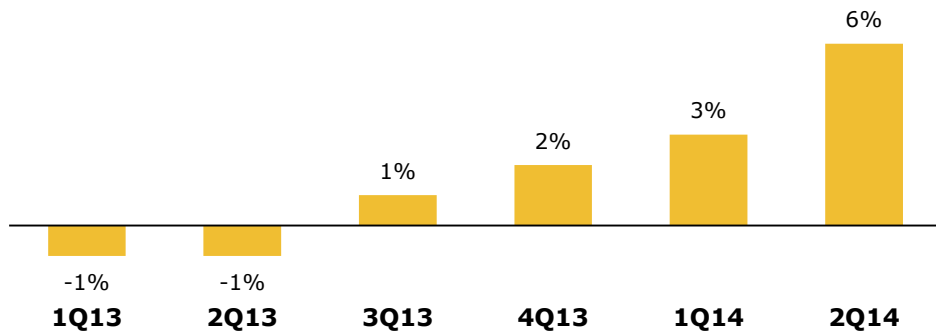
CAPEX and CAPEX/revenue



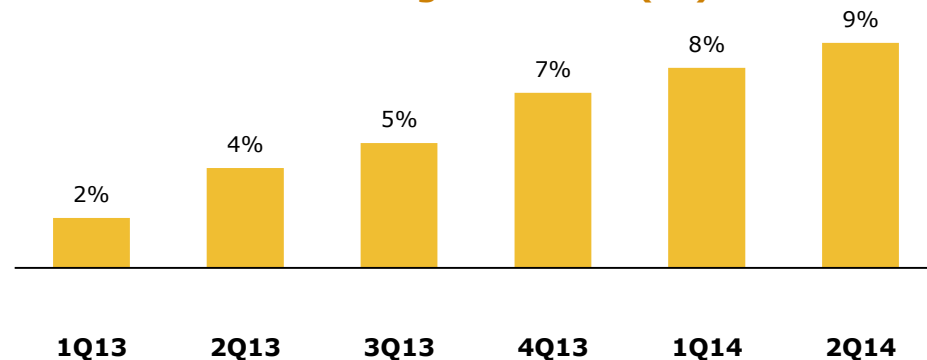
- Mobile service revenue increased organically 5% YoY
- Mobile data revenue growth of 24% YoY
- Mobile customers increased by 1.5 million YoY, primarily due to the growth in Kazakhstan
- EBITDA increased 5% organically YoY, mainly due to Kazakhstan and Uzbekistan
- CAPEX decline due to phasing of investments in Kazakhstan and Uzbekistan and high CAPEX for capacity in Uzbekistan in prior year

Kazakhstan: Successful turnaround

Mobile service revenue growth YoY (%)



Customer growth YoY (%)



3G Coverage

- 3G coverage
- 2G coverage

- 3G download speed 2 Mb/s
- >220 cities covered by 3G: ~60% population ~3% territory
- 92% 2G pop. coverage

Best value proposition

- New data portfolio launch and core bundle "Gigabyte+" promotion
- FreeStyle Lite price plan value extension

New products or initiatives

- Samsung Galaxy S in combination with bundled tariff plan only
- Auto payments via credit card

Italy: strong value creation opportunity

Italy

- ▶ MTR reductions completed, signs of stabilization in the competitive environment
- ▶ Strong management team & WIND brand
- ▶ Successful refinancing of WIND most expensive debt in 1H 2014
- ▶ Carefully watching:
 - ▶ Industry developments
 - ▶ Strategic opportunities

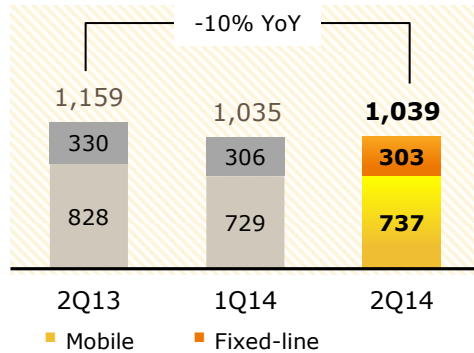


Continued market outperformance

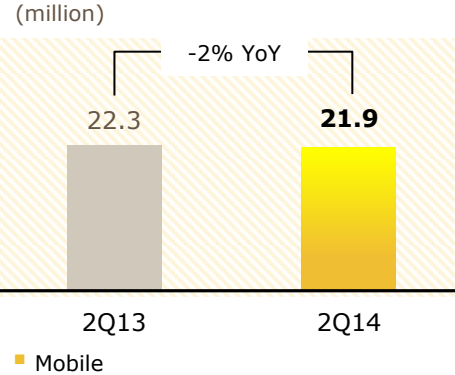
Italy: Continued market outperformance in 2Q14

EUR MILLION, UNLESS STATED OTHERWISE

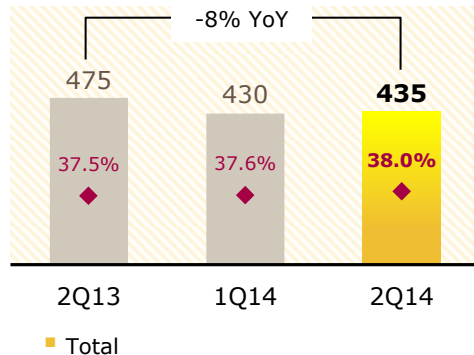
Service revenue



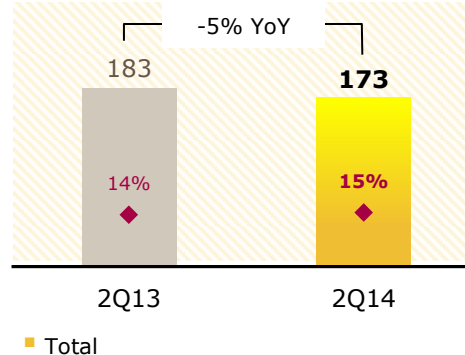
Mobile customers



EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Increased mobile market share, without aggressive pricing
- Best in class Net Promoter Score
- Annualized churn reduced to 30%, the lowest in more than 2 years
- Strong mobile data revenue growth of 18% YoY
- Mobile data customers up 27% YoY to 9.7 million
- EBITDA margin improved due to strong cost management
- Market expected to remain challenging in 2014 but with improving trend in 2H14

2014 targets confirmed

	Targets¹ 2014
Revenue	Low to mid single digit decline YoY
EBITDA	Low to mid single digit decline YoY
Leverage (Net Debt / EBITDA)	~2.4x
CAPEX excl. licenses / Revenue	~21%

Summary 2Q14

- ▶ Results impacted by operational performance and macro economics in Russia, Ukraine and Pakistan, market weakness in Italy and 3G delay in Algeria
- ▶ Focus on investments in quality networks and customer experience demonstrating clear results
- ▶ Transformation in Russia and Ukraine on track
- ▶ Strengthening position in Italy, Bangladesh and CIS
- ▶ Net income improvement of USD 0.5 billion per annum from expected favorable resolution in Algeria and successful refinancing of WIND
- ▶ Successfully launched 3G in Algeria
- ▶ Strong cash flow generation, used to invest in high-speed data networks
- ▶ Strengthened management team

Appendices

Achieving business excellence

The VimpelCom Way

Passionate

Passion and commitment to achieve exceptional results

Professional

Admired for customer experience and operational excellence

Leadership

Empower employees to perform at the highest level and lead with a focus on execution

The Operating Model

Global Scope

Performance Management

Portfolio Management

Financial, Tax and Funding Structure

People Management

Governance & Compliance

Shared Services
*Roaming
Procurement
In-house Bank*

Empowered Employees and Business Units



Group value add



**Procurement
advantages**



**Capex
synergies**



**Best
practices
sharing**



**Global
partnerships**



Roaming



Talent

Sharing best practices

**MNP
experiences**

Store design

**eBusiness:
self-care
harmonization**

**B2B
campuses**

**Sales
incentive
schemes**

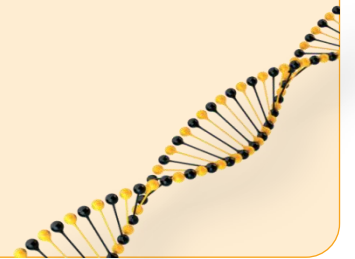
**Customer
experience
programs**

**Learnings from
3G and LTE
launches**

**Call centre
processes**

Dividend policy to support deleverage and investments

- ▶ More long-term value in deleveraging and investing in high quality, 3G and 4G networks to capture high mobile data growth
- ▶ Future dividends of 3.5 US cents per share per annum until targeted leverage of less than 2.0 net debt / EBITDA achieved



VimpelCom Ltd. ownership structure*

Shareholder	Total Economic Common DRs and shares	% Economic rights	Preferred shares	Total voting DRs and shares	% of voting rights
Telenor ⁽¹⁾	580 578 840	33.0%	305 000 000	885 578 840	43.0%
Altimo ⁽²⁾	986 572 563	56.2%	-	986 572 563	47.9%
Minority Shareholders	189 579 732	10.8%	-	189 579 732	9.2%
Total	1 756 731 135	100%	305 000 000	2 061 731 135	100%

* Certain amounts and percentages that appear in this table have been subject to rounding adjustments. As a result, certain numerical figures shown as totals may not be exact arithmetic aggregations of the figures that precede or follow them.

⁽¹⁾ As reported on Schedule 13D, Amendment No. 26, filed on December 5, 2013, by Telenor East Holdings II AS with the SEC, Telenor East Holdings II AS is the beneficial owner of 580,578,840 common shares and 305,000,000 preferred shares.

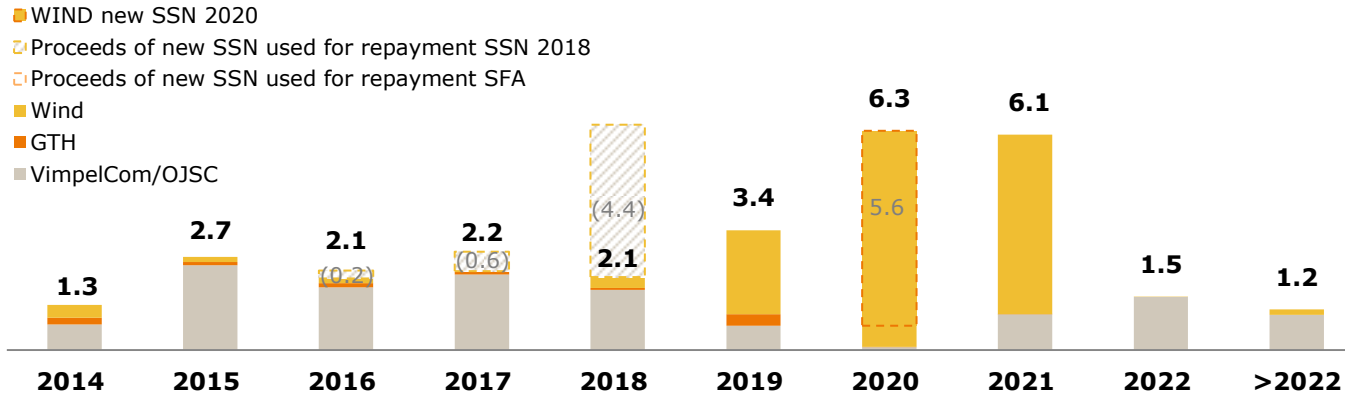
⁽²⁾ As reported on Schedule 13D, Amendment No. 15, filed on February 19, 2014, by Altimo Coöperatief with the SEC, Altimo Coöperatief was (as of the date of filing) the beneficial owner of 986,572,563 common shares.



Improved maturity profile

Pro-forma group debt maturity schedule as at 30 June 2014¹

USD billion



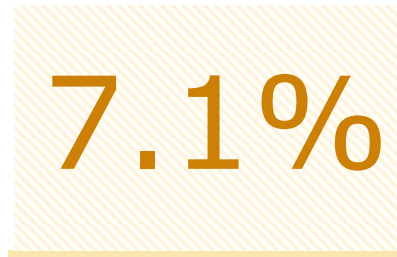
Net Debt/ EBITDA³



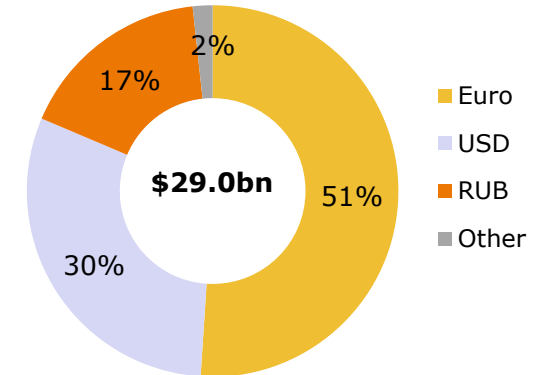
Gross Debt/ EBITDA³



Average Cost of Debt 2Q14



Debt composition by currency²



EBITDA³ / Financial income and expenses



1. The WIND Group refinancing in July 2014 has been reflected as a pro-forma adjustment in the graph
2. After effect of cross currency swaps. Gross debt excluding effect of cross currency swaps is \$29.0bn but composition per currency will be different
3. Normalized LTM EBITDA excluding one-off charges related to the Algeria resolution

Available headroom: VimpelCom: USD 1.6 bln; OJSC: RUB 15 bln (USD -0.4 bln); WIND: EUR 200 mln (USD -0.3 bln)

Pro forma¹ debt as per 30 June 2014

VimpelCom Group	
	Gross Debt (USD billion)
VIP	5.5
OJSC Group	7.7
Wind Group	14.9
GTH Group	0.9
Gross Total	29.0
Total Cash²	5.8
Net Debt	23.2
Net Debt/LTM EBITDA³	2.6

Wind Group	
	Gross Debt (USD billion)
Senior bank loan	2.4
Debt to Government	0.3
Annuity	0.1
RCF	0.3
Other debt	0.1
SSN 2019/2020	0.8
SSN 2020 (2 nd refinancing)	5.6
SN 2021	5.2
Total Wind Group	14.9

1. Pro Forma for group debt maturity schedule as at 30 June 2014 reflects recent 2nd WIND refinancing

2. including short term deposits and cash equivalents

3. Normalized LTM EBITDA excluding one-off charges related to the Algeria resolution and fixed assets write off to operating expenses in Uzbekistan

Business dashboard 2Q14

YoY dynamics

Russia

Revenue	(7%)	RUB 68.7 bn	EBITDA margin 41.4%
EBITDA	(10%)	RUB 28.5 bn	
Mobile Customers	(1%)	56 mln	
Mobile ARPU	(4%)	RUB 326	

Italy

Revenue	(9%)	EUR 1.1 bn	EBITDA margin 38.0%
EBITDA	(8%)	EUR 0.4 bn	
Mobile Customers	(2%)	22 mln	
Mobile ARPU	(10%)	EUR 11	

Total revenue split (%)



EBITDA split (%)



Ukraine

Revenue	(5%)	UAH 3.0 bn	EBITDA margin 44.5%
EBITDA	(12%)	UAH 1.3 bn	
Mobile Customers	(1%)	25 mln	
Mobile ARPU	(2%)	UAH 36	

Kazakhstan

Revenue	8%	KZT 33.9 bn	EBITDA margin 48.7%
EBITDA	10%	KZT 16.5 bn	
Mobile Customers	9%	10 mln	
Mobile ARPU	(4%)	KZT 1058	

Uzbekistan

Revenue	7%	USD 179 mln	EBITDA margin 64.2%
EBITDA	6%	USD 115 mln	
Mobile Customers	2%	10 mln	
Mobile ARPU	6%	USD 6.0	

Algeria

Revenue	(6%)	DZD 34 bn	EBITDA margin 54.5%
EBITDA	(15%)	DZD 19 bn	
Mobile Customers	4%	18 mln	
Mobile ARPU	(11%)	DZD 648	

Pakistan

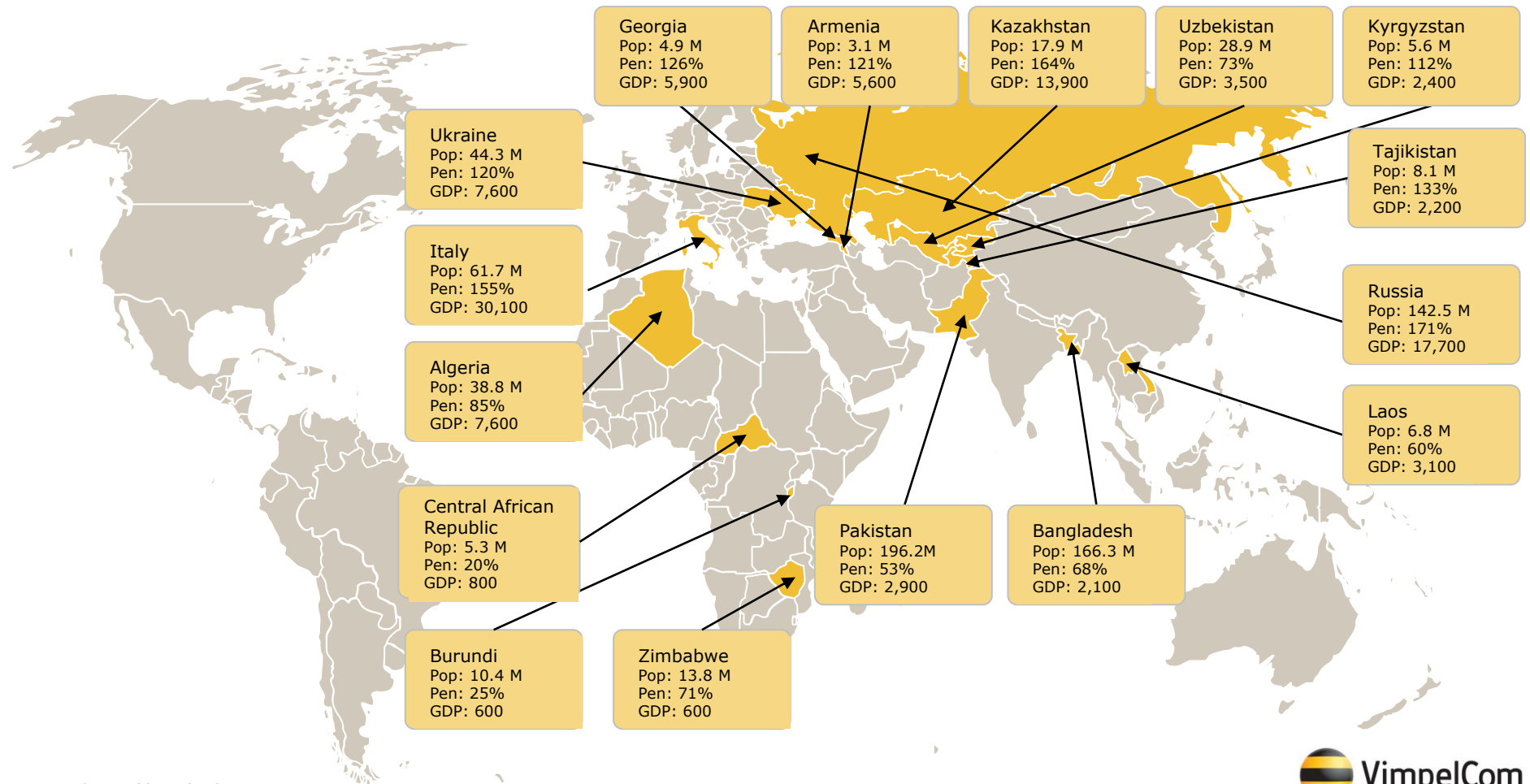
Revenue	(8%)	PKR 26 bn	EBITDA margin 38.9%
EBITDA	(16%)	PKR 10 bn	
Mobile Customers	4%	39 mln	
Mobile ARPU	(14%)	PKR 214	

Bangladesh

Revenue	9%	BDT 11 bn	EBITDA margin 38.2%
EBITDA	12%	BDT 4 bn	
Mobile Customers	10%	30 mln	
Mobile ARPU	(4%)	BDT 121	

Market Overviews

A truly international telecoms operator



Competitive situation and market trends - Russia

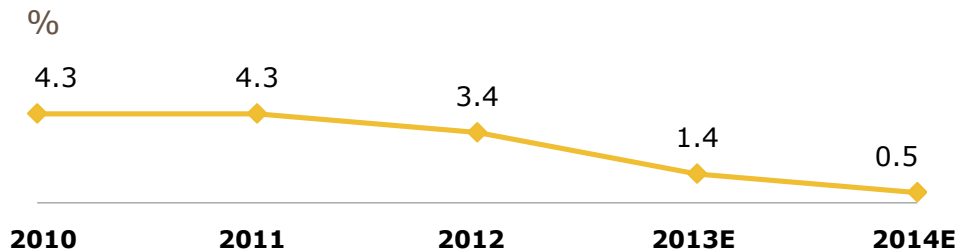
Mobile¹

- ~90 % pre-paid market
- ~ 171% penetration
- 3 major players (Megafon, MTS and VimpelCom) with comparable market shares
- ARPU ~USD 10
- 4G launched in 2013 in major cities

Fixed¹

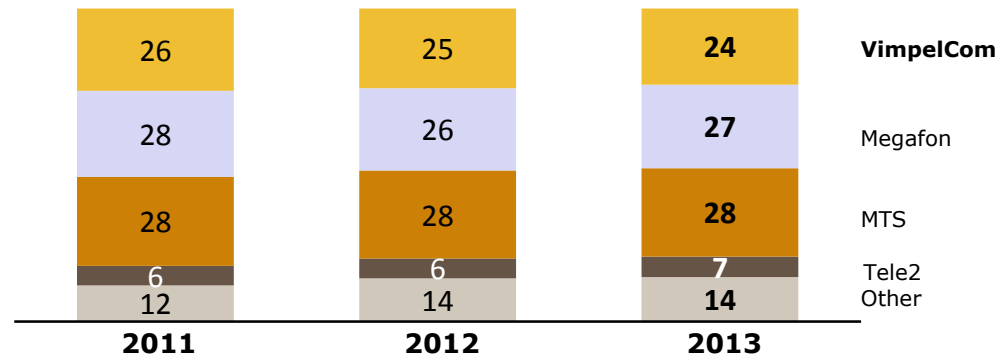
- Rostelecom is still dominant market leader (~42 % subs market share incl. daughter companies)
- Voice traffic declining due to fixed-to-mobile substitution
- Residential broadband penetration ~50% and still growing by ~1% per quarter

GDP trend²



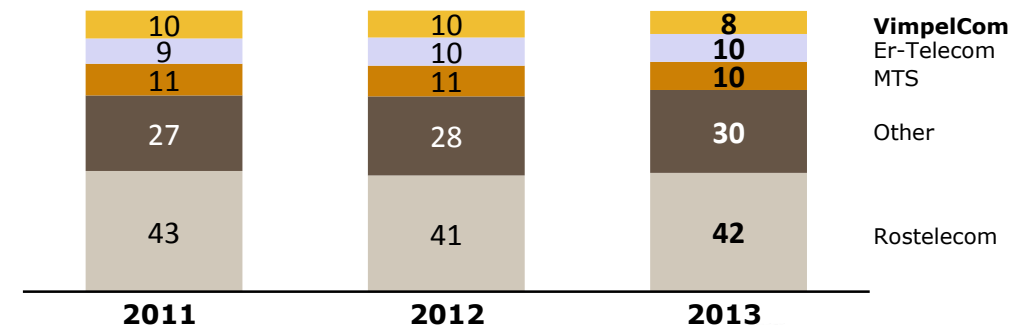
Mobile Market Share¹

(on service revenue), %



Fixed Broadband Market Share¹

(on subs), %



¹ Source: Informa

Competitive situation and market trends - Italy

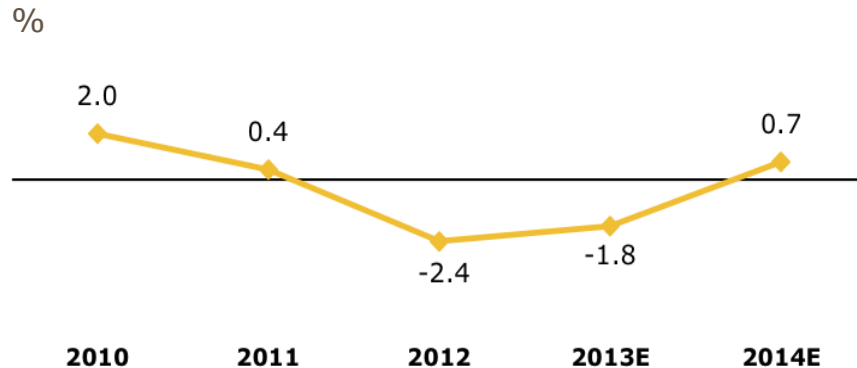
Mobile

- ~ 80 % pre-paid market
- ~ 155% penetration
- 4 major players: TIM, Vodafone, WIND and H3G
- 35% smartphone penetration on SIM cards

Fixed

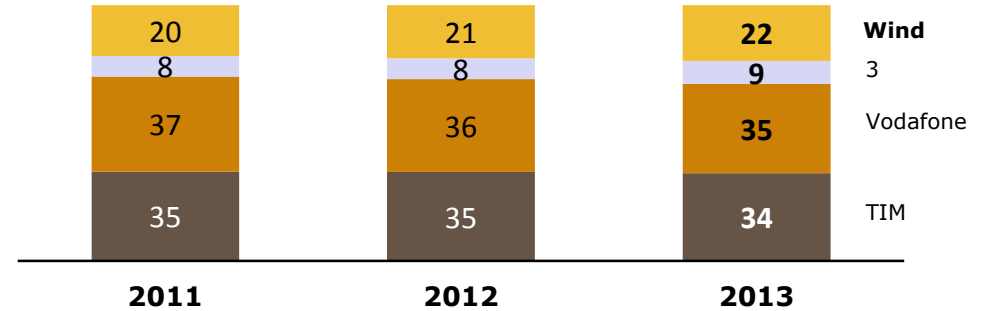
- Telecom Italia still the incumbent
- Broadband penetration on total lines ~ 65%
- Fixed to mobile substitution

GDP trend³



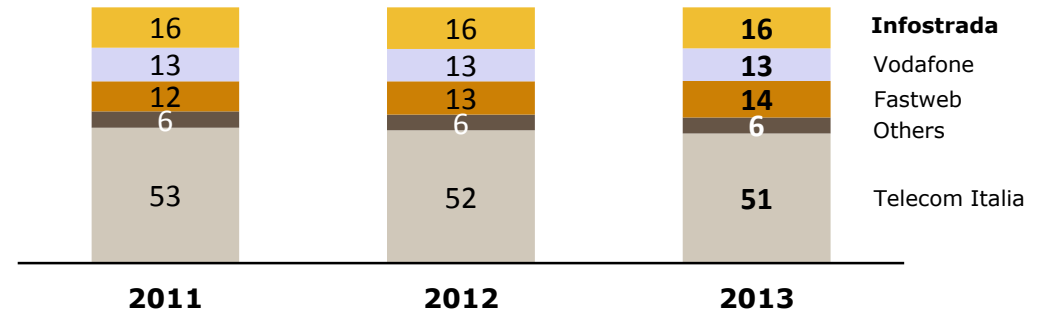
Mobile Market Share¹

(on revenue), %



Fixed Broadband Market Share²

(on lines), %



Competitive situation and market trends - Ukraine

Mobile

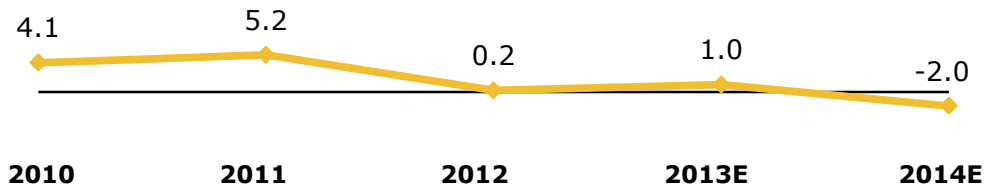
- Major players are Kyivstar, MTS and Astelit ("Life" brand)
- Kyivstar is the leading integrated operator with #1 in mobile and #2 in fixed residential broadband
- Penetration ~120%, ~87% pre-paid market
- Mostly bucket pricing with high MOU of ~500
- In absence of large scale 3G, CDMA players grew data revenues to ~8% of mobile revenues

Fixed

- Major competitors: Ukrtelecom (incumbent), Volia, Vega, Datagroup
- Fixed broadband growth >20%; fragmented market with potential for consolidation

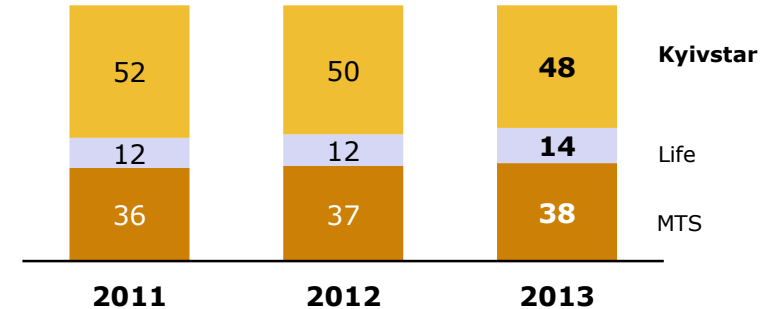
GDP trend¹

%



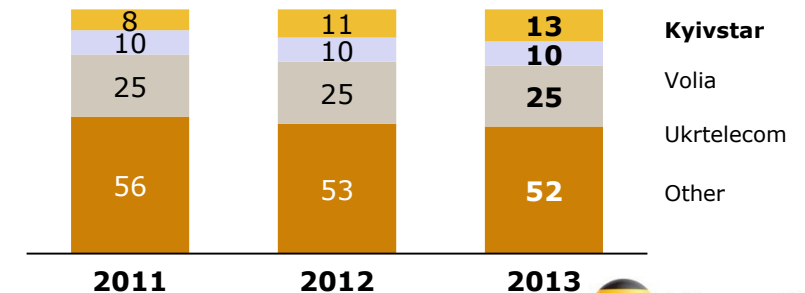
Mobile Market Share

(on revenue), %



Fixed broadband Market Share

(on revenue), %



Competitive situation and market trends - Kazakhstan

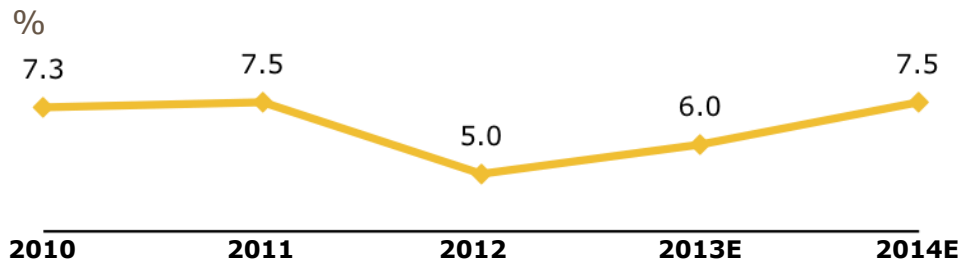
Mobile¹

- 151% penetration
- 2 major players (VimpelCom, KCell) with cumulative MS 91%, 3d player is discounter (Tele2)
- ARPU \$7
- 3G launched by all players, 4G network introduced only by Altel (government owned)

Fixed³

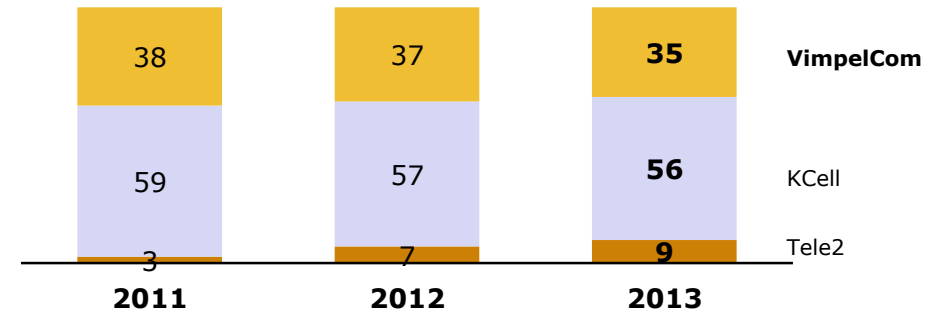
- Residential broadband is the main revenue growth contributor to the fixed market
- Residential broadband penetration ~30% and still growing
- Kazakhtelecom is still dominant incumbent (with ~84 % subs market share)
- Voice is expected to decrease due to FMS and voice over broadband substitutes

GDP trend²



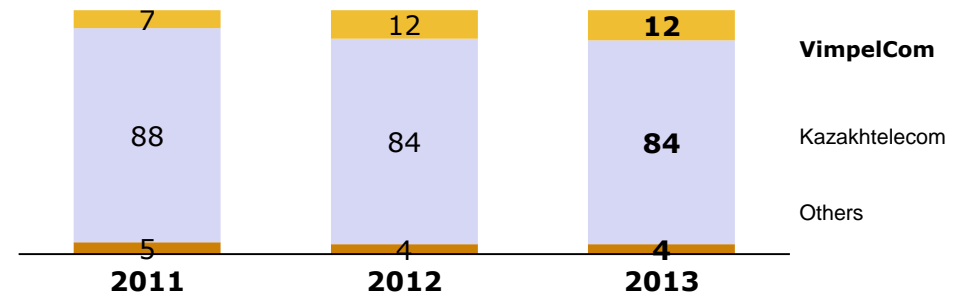
Mobile Market Share¹

(on revenue), %



Fixed Broadband Market Share³

(on subs), %



¹ Source: Official publications (Beeline revenue is calculated as mobile standalone)

39 ² Source: National Statistic Committee as of December 2013

³ Source: Delta Partners analyses

Competitive situation and market trends - Uzbekistan

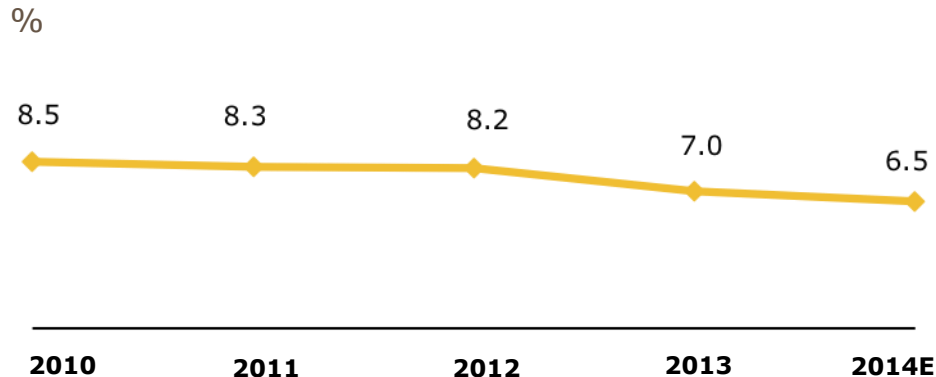
Mobile

- 66% penetration
- 2 major players: VimpelCom, UCell, MTS entrance expected in 4Q14
- ARPU \$5
- 3G launched by two operators

Fixed

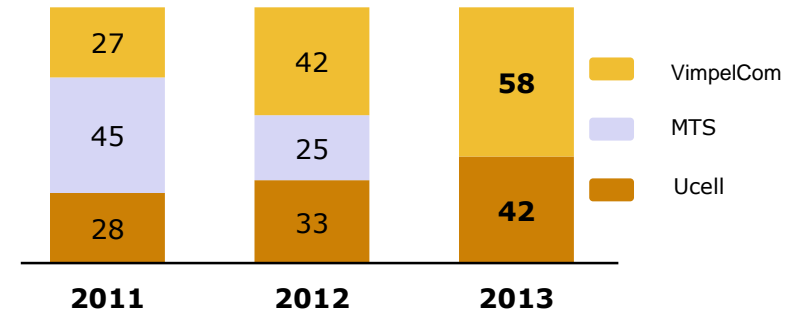
- Uzbektelecom is still dominant incumbent (with ~98 % subs market share)

GDP trend¹



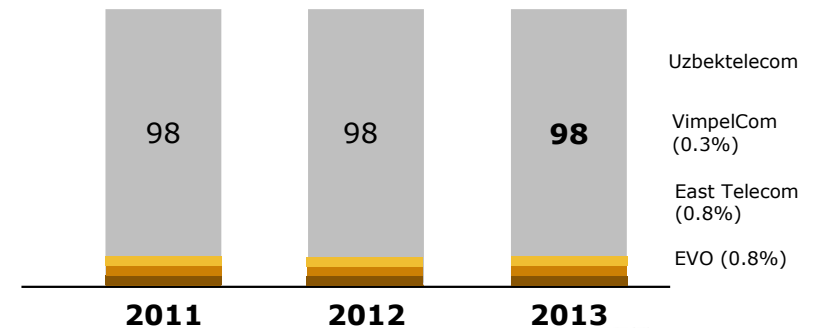
Mobile Market Share²

(on revenue), %



Fixed Broadband Market Share³

(on subs), %



¹ Source: www.imf.org

² Source: www.vimpelcom.com, www.mts.ru, www.teliasonera.com

³ Source: Local estimation

Competitive situation and market trends - Algeria

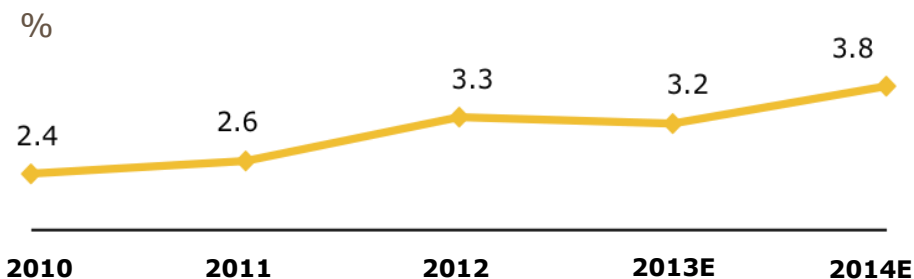
Macro Environment:

- Government, trade and agricultural sectors account for over 60% of GDP
- 28% of the population is under 15 years old
- Presidential elections expected to commence in April 2014

Mobile:

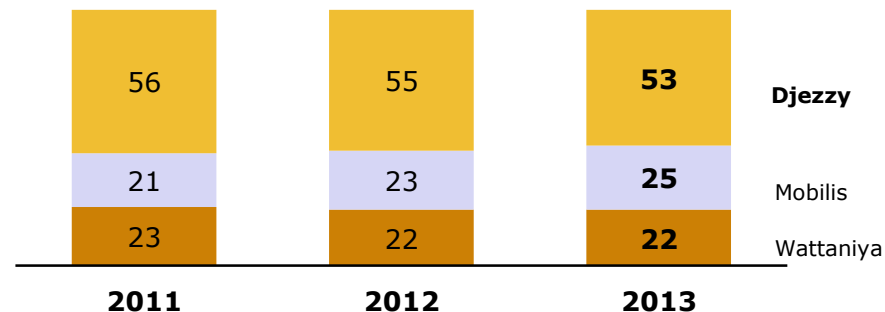
- 85% penetration
- 3 market players
- 3G launched

GDP trend²



Mobile Market Share¹

(on revenue), %



¹ Source: Market share as provided by the regulator as of November 30, 2013

² Source: World Bank as of December 2013

Competitive situation and market trends - Pakistan

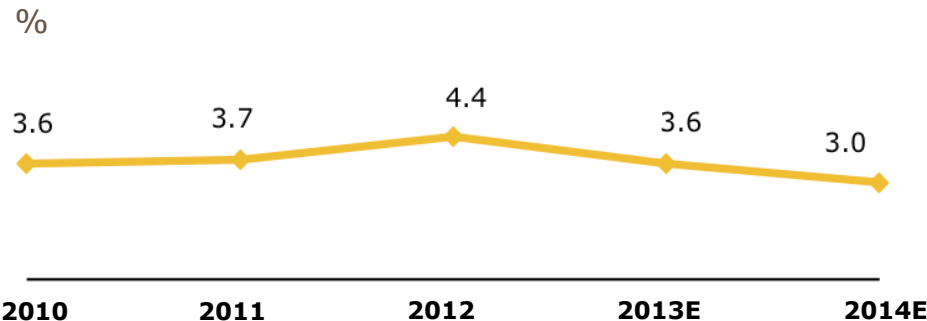
Macro Environment:

- Continued devaluation of the Rupee against the USD
- Power shortfalls persist
- 34% of the population under 15 years old
- New government elected and in place since May 2013, working on achieving political stability and economic reform

Mobile:

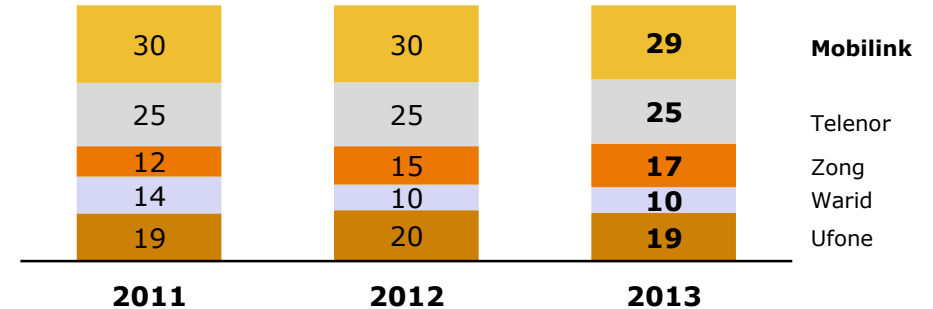
- 53% penetration
- 5 market players
- 3G launched

GDP trend²



Mobile Market Share¹

(on revenue), %



Competitive situation and market trends - Bangladesh

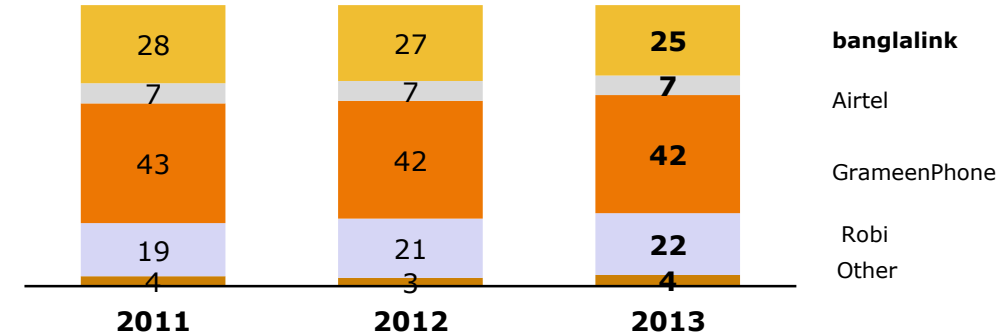
Macro Environment:

- The world's highest population density
- 33% of the population under 15 years old
- BDT continued to appreciate against the USD
- Elections and political instability

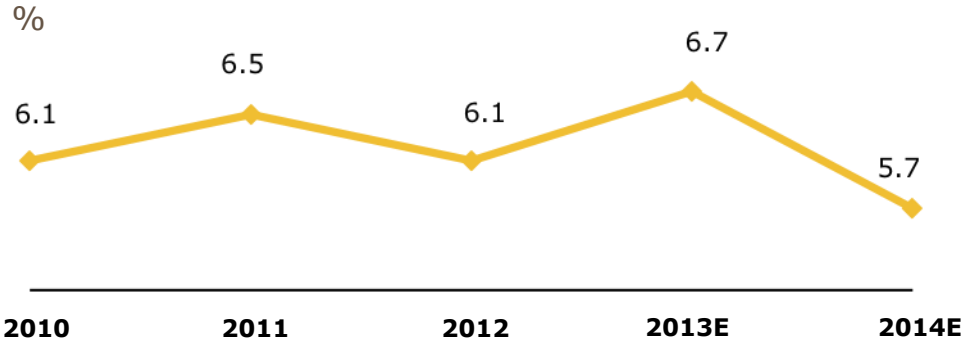
Mobile:

- 68% penetration
- 3 main players in the market
- 3G launched

Mobile market share¹ (on revenue), %



GDP trend²



¹ Source: Company's estimations

² Source: World Bank as of December 2013

Competitive situation in rest of CIS

Tajikistan

- 4 GSM competitors (Beeline 3rd), 2G penetration 133%, 3G operations first in CIS, low data usage, collaboration with BU Russia for migrant Subs



Armenia

- 3 international competitors in GSM: Beeline – 2nd, MTS (Russian competitor subsidiary) is 1st, Orange is 3rd
- 2G penetration 121%, 3G operations, LTE license - MTS high data usage
- Beeline fixed monopoly, stagnating voice, ADSL as fixed BB, growing competition urges for FTTx



Kyrgyzstan

- 3 GSM competitors (Beeline 1st), penetration 112%, 3G developing fast, EBITDA margin leader together with growth



Georgia

- 3 GSM competitors (Beeline – 3rd and growing), 2G penetration 126%, 3G operations by competitors, 80+% coverage, liberal economy
















Reconciliation Tables and Forex

Sensitivity to FOREX movements

USD billion	FY13 figures		FOREX sensitivities ¹		
			RUB vs. USD +/-10%	EUR vs. USD +/-10%	UAH vs. USD +/-10%
Revenue	22.5	Average FOREX	4%	3%	1%
EBITDA	9.6		4%	2%	1%
Gross Debt	27.5	Year-end FOREX	2%	5%	n.a.
Net Debt	22.6		2%	6%	n.a.

FOREX rates used in annual targets 2014

		Currency	FX rates versus USD
	Algeria	DZD	81
	Armenia	AMD	420
	Bangladesh	BDT	80
	Egypt	EGP	8.0
	Georgia	GEL	1.8
	Italy	EUR	0.74
	Kazakhstan	KZT	190
	Kyrgyzstan	KGS	55
	Laos	LAK	8,000
	Pakistan	PKR	110
	Russia	RUB	36
	Ukraine	UAH	10.5
	Zimbabwe	ZWD	325

FOREX development

RATES OF FUNCTIONAL CURRENCY TO USD

	Average rates			Closing rates		
	2Q14	2Q13	YoY	2Q14	1Q14	YoY
Russian Ruble	35.00	31.62	(9.7%)	33.63	35.69	6.1%
Euro	0.73	0.77	5.0%	0.73	0.73	(0.1%)
Algerian Dinar	78.95	79.14	0.2%	79.25	78.54	(0.9%)
Pakistan Rupee	98.29	98.49	0.2%	98.72	98.19	(0.5%)
Bangladeshi Taka	77.57	77.88	0.4%	77.60	77.60	-
Ukrainian Hryvnia	11.70	7.99	(31.7%)	11.82	10.95	(7.4%)
Kazakh Tenge	182.63	151.14	(17.2%)	183.51	182.04	(0.8%)
Armenian Dram	412.87	414.74	0.5%	407.28	413.31	1.5%
Kyrgyz Som	53.07	48.30	(9.0%)	52.06	54.48	4.6%

Reconciliation of EBITDA

USD mln	2Q14	2Q13	1H14	1H13
Unaudited				
EBITDA	2,076	2,425	4,164	4,773
Depreciation	(742)	(748)	(1,500)	(1,514)
Amortization	(379)	(438)	(773)	(892)
Impairment loss	(2)	(4)	(2)	(22)
Loss on disposals of non-current assets	(15)	(11)	(26)	(14)
EBIT	938	1,224	1,863	2,331
Financial Income and Expenses	(491)	(521)	(1,004)	(1,022)
- including finance income	63	27	77	49
- including finance costs	(554)	(548)	(1,081)	(1,071)
Net foreign exchange gain / (loss) and others	32	59	(134)	(4)
- including Other non-operating gains / (losses)	17	43	(20)	17
- including Shares of loss of associates and joint ventures accounted for using the equity method	(6)	(18)	(43)	(83)
- including Net foreign exchange gain / (losses)	21	34	(71)	62
EBT	479	762	725	1,305
Income tax expense	(421)	(204)	(594)	(417)
Profit for the year	58	558	131	888
Profit/(loss) for the year attributable to non-controlling interest	(42)	(15)	(8)	(93)
Profit for the year attributable to the owners of the parent	100	573	139	981

Reconciliation of consolidated net debt

USD mln	2Q13	1Q14	2Q14
Net debt	22,622	22,434	23,242
Cash and cash equivalents	4,551	4,540	5,505
Long-term and short-term deposits	213	419	275
Gross debt	27,386	27,393	29,022
Interest accrued related to financial liabilities	574	434	432
Unamortised fair value adjustment under acquisition method of accounting	718	625	111
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	38	17	(139)
Derivatives not designated as hedges	474	238	265
Derivatives designated as hedges	172	271	319
Total other financial liabilities	29,362	28,978	30,010

Disclaimer

This presentation contains “forward-looking statements”, as the phrase is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate to, among other things, the Company's anticipated performance, its expectation to close and derive benefits from the Algeria transaction, anticipated interest cost savings, its 2014 annual targets, operational and network development and anticipated benefits from network investment, and the Company's ability to realize its strategic initiatives in the various countries of operation. 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, 2013 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.