Transformative transaction in Italy
Strategy update
2Q15 earnings

London – August 6, 2015

Jean-Yves Charlier – CEO
Andrew Davies – CFO

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Disclaimer

This document contains "forward-looking statements", as the phrase is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to, among other things, the Company's anticipated performance, future market developments and trends, anticipated benefits from the Italy transaction, the ability to complete the Italy transaction the Company's strategy to generate sustainable annualized cashflow improvement over the next three years, anticipated interest cost savings, operational and network development and network investment, expectations regarding its 4G/LTE agreement with MTS, anticipated benefits from 3G services in Ukraine and 4G/LTE services in Georgia, and the Company's ability to realize its targets and 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, government investigations and/or litigation with third parties. 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, 2014 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. Among these risks described in our prior filings are the potential results of the pending investigations principally related to operations in Uzbekistan. In regard to those investigations, on June 29, 2015 the U.S. Department of Justice (the "DoJ") filed a civil complaint in the Southern District Court of New York, seeking the forfeiture of property, currently held by others, located in Belgium, Ireland and Luxembourg that it claims was derived in violation of U.S. law. The Company is not a defendant in this action. Such a forfeiture action indicates, however, the DOJ's position that certain conduct by the Company in or relating to Uzbekistan constituted a violation of the U.S. Foreign Corrupt Practices Act. On July 10, 2015, a federal judge signed warrant orders allowing the DOJ to proceed with forfeiture actions as described in the complaint. The Company will continue to monitor this proceeding. The forward-looking statements speak only as of the date hereof, and the Company disclaims any obligation to update them 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.

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Program of today

Transformative transaction for Italy and VimpelCom

Strategy update

2Q15 earnings

Q&A

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Creating a leading operator in Italian telecoms

A transformative transaction for VimpelCom and the Italian market

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WIND and 3 Italia to merge, creating a leading operator in Italy

New era for Italian telecoms

- A leading convergent operator in Europe’s fourth largest telecom market
- Delivering innovative, integrated fixed and mobile services to consumer, SME and corporate customers
- Large combined footprint and customer base
- A superior customer experience through best-in-class service quality and focus on digital innovation

Investment and innovation

- Enlarged and improved network with over 21k sites
- Provide best in class quality to customers with high density and superior indoor coverage
- Accelerated roll-out of 4G/LTE services with 90% population coverage by 2017
- Expansion of LLU footprint and fibre offerings
- Over 1,000 mono-brand points of sales, comparable to main competitors

Clear corporate governance

- Substantive shareholder agreement to ensure successful JV
- Strong empowered and independent management team led by Maximo Ibarra (CEO of WIND)
- Board consisting of 6 directors (3 nominated by VIP, 3 by CKHH)
- Chairman rotating every 18 months, with casting vote to ensure no “gridlock”
- “One company” approach with clear decision-making matrix
- After three years post-completion each shareholder can invoke a buy/sell mechanism at any time

Value creation

- EUR 700 million annual run-rate cost synergies, 90% expected by third year post-closing; in excess of EUR 5 billion NPV cost synergies expected, net of integration costs
- Distribution of dividend from JV projected within the first three years post-closing
- Improved leverage: 4.9x Net debt/EBITDA at signing, rapid deleverage expected over the first 3 years post-closing
- Pro forma revenue and EBITDA margin of EUR 6.4 billion and above 40% respectively

Transaction rationale

1 **A leading converged operator in Italian telecoms**

2 **Superior customer experience**

3 **Significant cost synergies**

4 **Enhanced profitability and cash generation**

5 **Transformative transaction for Italy & VimpelCom**

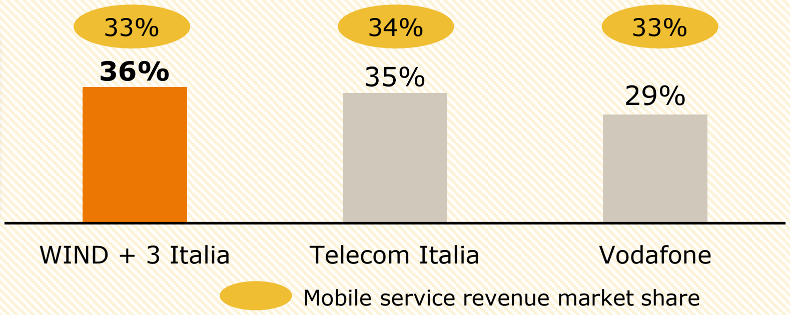
Clear corporate governance to ensure successful JV

Creating a leading converged operator in Italian telecoms

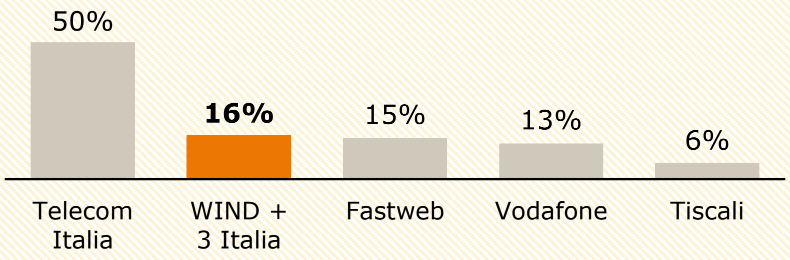
1

Market share position

A leading mobile operator
(Mobile customer market share[1])

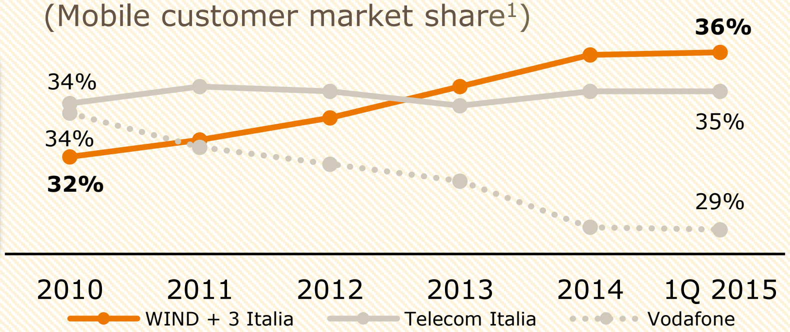


A leading alternative fixed broadband operator
(Fixed BB customer market share[1])

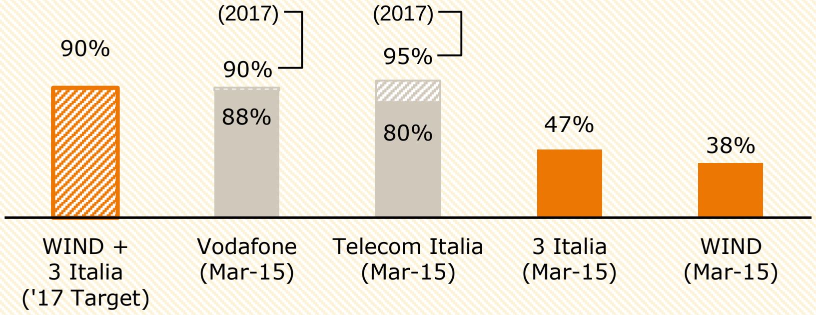


Commercial excellence

Strong momentum in customer growth
(Mobile customer market share[1])



Wide 4G/LTE coverage target[2]



Notes:
1. *Company information, as of March 2015. Market share excluding MVNO's*
2. *Company releases*

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Superior customer experience

2

Best quality network	• An enlarged and improved network to provide best in class quality to customers • Over 21,000 sites delivering high density and superior indoor coverage • A leading alternative fixed-line broadband operator
Focus on data	• Leverage best in class network to secure leadership in mobile data • Significant acceleration in 4G/LTE deployment with over 90% population coverage by 2017 • Continued focus on fixed-line BB (unbundling, wholesale fiber) and convergent data opportunity
Reinforce converged product offering	• Enhanced household-centric value proposition addressing demand for fixed-mobile convergence • Cross-selling and bundling opportunities for the combined mobile B2C and B2B customer base
Boost "digital first" strategy	• Driving growth through digital channels by leveraging the WIND Digital experience • Increased investments in new consumer digital products and services
Expand presence in business segment	• Stronger market position and product offering, coupled with best in class quality, to increase presence in SME-SOHO and large Corporate segment
Developing a leading distribution network	• Customer focused distribution network with over 1,000 mono-brand points of sale, with a footprint comparable to main competitors

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Identified cost synergies - total run-rate of EUR 700 million

3

Market facing & customer operations	• Operating model alignment to best practices • New integrated customer service • More efficient channel and distribution model
Network & IT	• Network consolidation • Unified and internalized operating model • Acceleration of 4G/LTE deployment and mutual roaming
SG&A	• Location optimization relying on two centers, one in Milan and one in Rome, each with separate functions, and integration of regional offices

NPV[1]
(EUR billion)

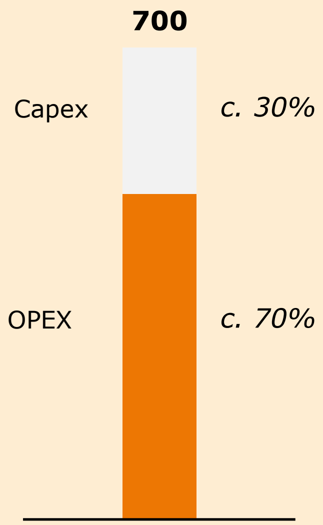
1.3+

3.1+

0.6+

Total: 5.0+

Synergies run rate[2]
(EUR million)



EUR 700 million annual run-rate cost synergies, 90% expected by third year post-closing

Notes:
[1] Post taxes, net of integration costs
[2] Pre tax

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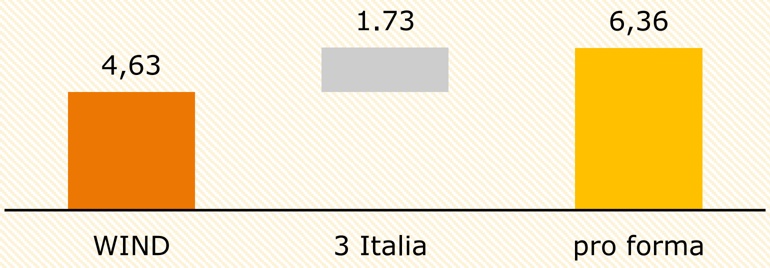
Enhanced profitability and cash generation

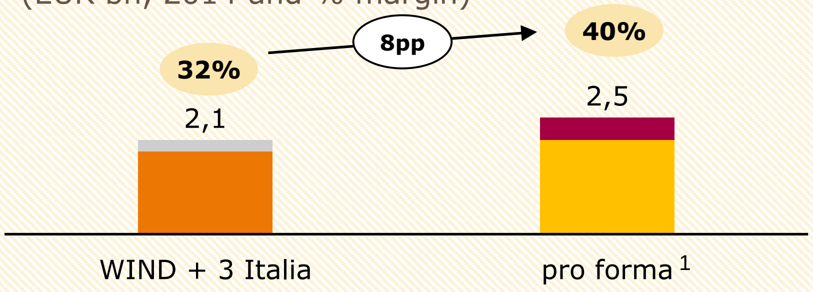
4

Revenue and EBITDA

An operator with EUR 6.4bn revenues and…
(EUR bn, 2014)



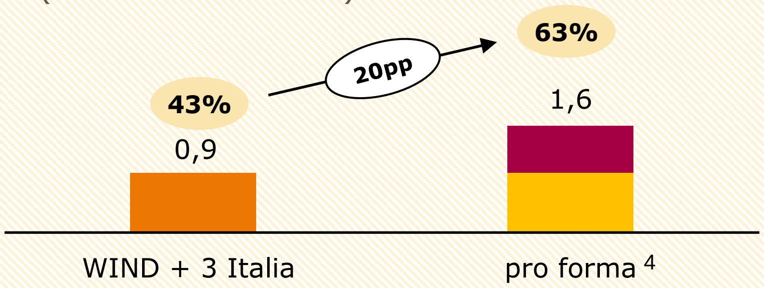
…EBITDA margin of 40%…
(EUR bn, 2014 and % margin)



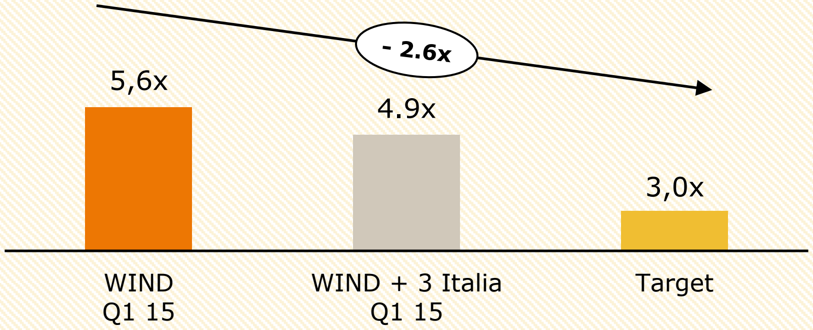
WIND   3 Italia   Run-rate synergies

OpFCF² and leverage

…cash conversion of over 60%…
(% cash conversion³)



…and significant deleveraging profile



Notes:
[1] Including run-rate Opex synergies only
[2] Defined as EBITDA – Capex (excl. licenses)
[3] Defined as OpFCF/EBITDA
[4] Including run-rate Opex and Capex synergies

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Transformative transaction for Italy and VimpelCom

5

Joint ownership of a leading convergent operator in Europe's fourth largest market

Significant value creation through projected annual run-rate cost synergies of c. EUR 700 million, 90% expected within the third year post-closing and strong deleveraging profile

Distribution of dividend from JV projected within the first three years post-closing

Diversified emerging market focused portfolio

Enhances VimpelCom's earnings and cash flow metrics

Significantly stronger balance sheet for VimpelCom with net leverage of 1.6x[1]

[1] *Target 2015 Net debt/EBITDA excluding Italy*

Enhanced earnings and cash flow metrics

5

	VimpelCom incl. Italy	pro forma VimpelCom excl. Italy
Total operating revenue organic change YoY	*(1.6%)*	*(0.9%)*
EBITDA organic change YoY	*(4.3%)*	*(3.2%)*
EBITDA margin	*40.0%*	*41.1%*
Capex/revenue	*14.9%*	*13.9%*
OpFCF[1]/revenue	*25.1%*	*27.2%*
Net debt/LTM EBITDA[2]	*3.2x*	*1.6x*

Note:
[1] Defined as EBITDA – Capex (excl. licenses)
[2] Target 2015 Net debt/EBITDA

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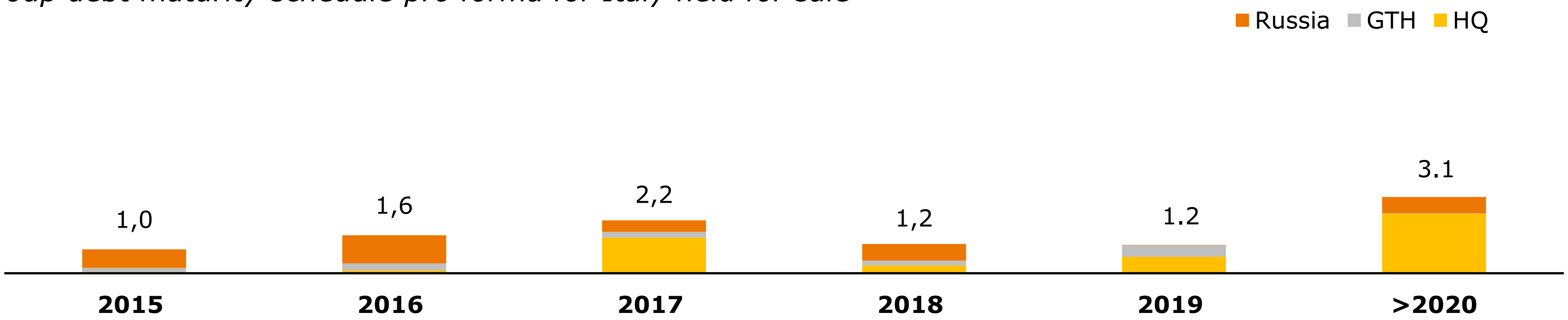
Improved leverage profile

5

Net leverage ratio of 1.6x[1]

Weighted average cost of debt: 7.7%

Group debt maturity schedule pro forma for Italy held for sale[1]



Deleveraging completed post-closing

[1] Target 2015 Net debt/EBITDA excluding Italy

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Transaction summary and structure

Key terms and structure

- 50-50 JV of VimpelCom (VIP) and CK Hutchison Holdings (CKHH)
- VIP to contribute WIND with existing net debt (EUR 10.1 billion as 2Q15)
- CKHH to contribute 3 Italia debt free plus EUR 200m cash
- No further cash contributions expected from VIP or CKHH
- Transaction conditional on parties being satisfied with regulatory approvals, no break up fees
- Neither party may reduce its aggregate indirect shareholding in the JV below 50% for one year post-completion
- After three years post-completion each shareholder can invoke a buy/sell mechanism at any time

Target leverage & dividend policy

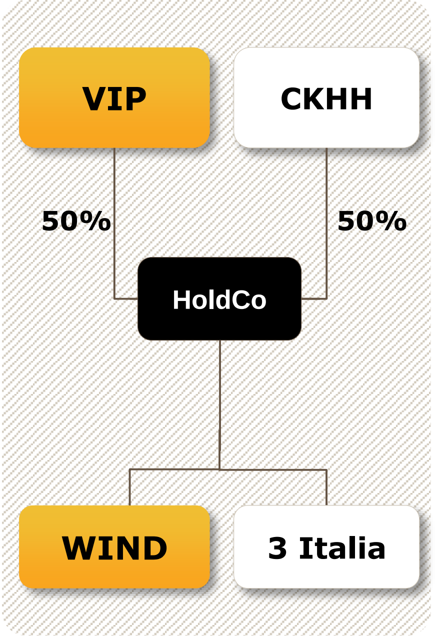
- Pro forma Net debt/EBITDA at signing expected to be 4.9x
- Long-term leverage target of 3.0x EBITDA
- 40% of FCF[1] returned to shareholders as long as leverage <4.0x, 60% of FCF as long as leverage <3.5x, 80% of FCF as long as leverage <3.0x

Management team

- Company to be led by best management: Maximo Ibarra, current CEO of WIND, with an experienced combined management team, with Dina Ravera as Merger Integration Officer, currently COO of 3 Italia, and Stefano Invernizzi as CFO, currently CFO of 3 Italia

Key dates

- Expected closing within next 12 months subject to receiving clearance from relevant authorities
- Filing with European and Italian authorities



Note:
1. FCF: EBITDA – Capex + ΔWC – Cash Tax – Cash Interest

Strategy update

The telecom industry is at a crossroads

Traditional mobile growth model is under pressure

- Slowing penetration growth even in emerging markets
- Commoditizing voice model
- Pricing pressure linked to mature market structure
- Difficulty to identify new addressable markets and profit pools

Rapid migration to data

- Exploding data growth requiring another capital expenditure cycle, but monetization yet to be proven
- Emerging digital and OTT models potentially reducing the industry to providing commodity services

Complex business model in an agile internet age

- Complex business model inducing significant and inefficient cost structure
- Capital investments remain high to support data growth
- ROI model more challenging than in the past

VimpelCom's opportunities and challenges

Solid portfolio of businesses

- Diversified emerging market focused portfolio (following WIND/3 announcement)
- Strong positions in markets:
  - #1 in 5 markets
  - #2 in 2 markets
  - #3 in 4 markets
- 213 million mobile customers
- 6 million fixed-line broadband customers
- Balance sheet leverage addressed

Macro & business model challenges

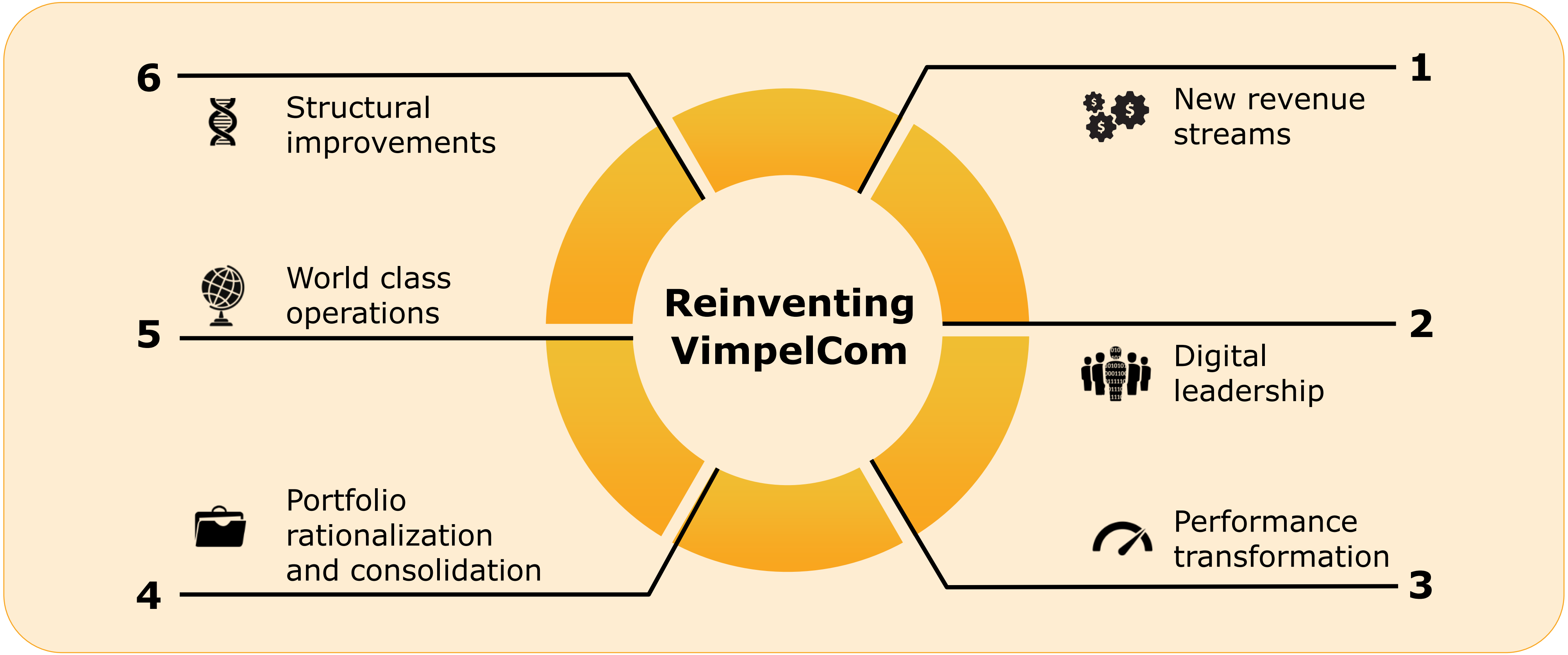
- Adverse macro-economic trends in a number of markets
- Mobile business model needs to be adjusted to new challenges
- Past execution gaps hampered business turnaround

Opportunities with current portfolio

- Transformation of the cost base
- More asset-light model:
  - Network sharing
  - Tower monetization
- Consolidation within current footprint
- Data growth monetization and adjacent revenue opportunities
- Digital customer engagement and services

Note: Position based on mobile revenue share, #1 position in Algeria, Ukraine, Pakistan, Uzbekistan and Kyrgyzstan, #2 position in Kazakhstan and Armenia, #3 in Russia, Italy, Bangladesh and Georgia

We have defined six strategic priorities



1. New revenue streams

Data growth and monetization

- Data revenue of ~USD 2 billion in 2014 with >20% YoY growth at constant currency
- 99 million data customers on base of 213 million mobile customers

Fixed mobile convergence

- Significant broadband infrastructure in 5 key markets
- ~6 million fixed-line broadband customers

B2B focus

- B2B mobile and fixed revenue of ~USD 2 billion in 2014, with growth potential
- Initial focus on core connectivity services
- Significant SME opportunity, particularly in emerging markets

2. Digital leadership

Opportunities & initiatives

- Reinventing complex traditional Telco model to simplified digital customer experience
- Accelerating new service opportunities such as MFS to leverage existing positions and extensive customer base:
  - MFS already a ~USD 100 million revenue business in 2014 growing at double digit growth rates
- Evaluating new business models in new addressable markets such as mobile advertising, OTT services and content
- Applying big data and data mining platforms to drive customer engagement and market non-core services

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3. Performance transformation

Opportunities

- Best-in-class operating costs for each OpCo through significant transformation of cost base
- Increased Capex efficiency investments through improved prioritization and fully leveraging group scale
- Opportunity to reduce working capital

Initiatives

- Significant simplification and digitalization of business models
- Selective network sharing opportunities
- Global procurement
- Transition to shared service centers
- Dedicated management team led by Alexander Matuschka, to transform the cost base

4. Portfolio rationalization and consolidation

Markets

- Many markets still fragmented and likely to undergo a wave of consolidation
- Focus on existing footprint, with selective in-country consolidation
- Disposal of non-core assets in Laos and Zimbabwe

Network

- Selective moves to more asset-light network model with strategic network sharing partnerships
- Acceleration of monetization of tower portfolio following the successful tower transaction in Italy

5. World class operations

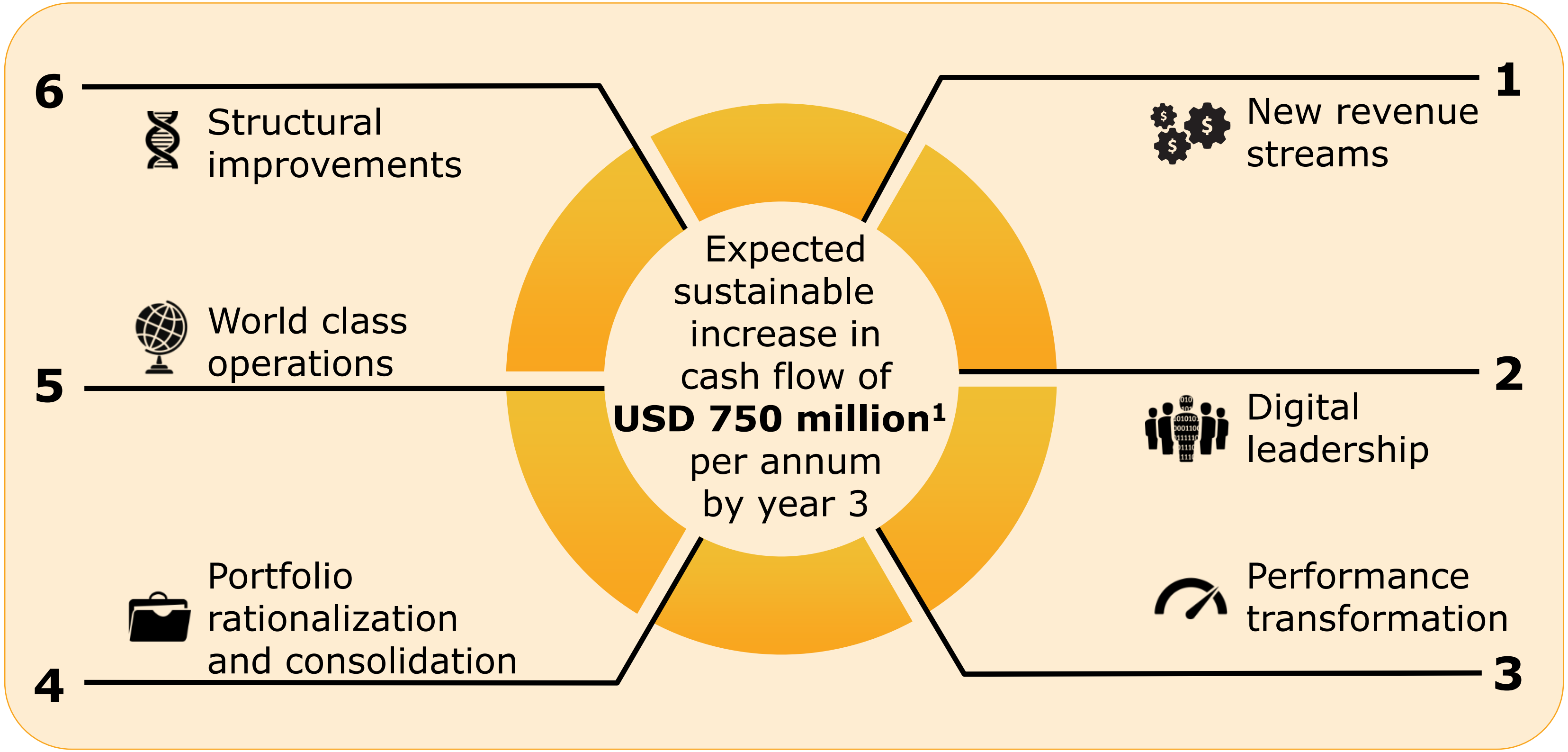
- Accelerating building world class operations in all OpCo's
- Market leading customer experience, building on existing program
  - NPS[1] leader in 5 markets
  - NPS[1] co-leader in 2 markets
- Developing long-term #1 and #2 positions in each market
- Building management team and new organization to deliver on strategy

6. Structural improvements

- Further optimize capital and tax structure
- Deleveraging completed post closing
- Acceleration of Algeria turnaround with appointment of new CEO, Ghada Gebara

Note:
[1] 2014

Reinventing VimpelCom: focus on cash flow growth



Clear strategic framework to reinvent VimpelCom

Additional detail to follow at October A&I Day

Note:
[1] Excluding Italy

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2Q15 financial and operational results

2Q15 highlights

- Transformative transaction in Italy
  - Material value creation within Italy
  - Significantly enhances VimpelCom's earnings and cash flow profile
  - Completes deleveraging
- Strategy update to deliver sustainable increase in cash flow of USD 750 million p.a.
- Good operational performance with continued improvements in most OpCo's
- Successful 3G launch in Ukraine
- Strengthened management team
  - Chief Executive Officer: Jean-Yves Charlier
  - Chief Performance Officer: Alexander Matuschka
  - Algeria CEO: Ghada Gebara
- Annual 2015 targets confirmed with reduced Capex and leverage, demonstrating new strategy to deliver cash flow growth

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2Q15 financial highlights

Service revenue
(USD billion)

3.6

- 2% organic[2] YoY
- 26% reported YoY

Net debt/LTM EBITDA

2.6	1.3
Inc. Italy	Excl. Italy

EBITDA margin[1]
(%)

40.2

- 0.5 p.p. organic[2] YoY
- 0.8 p.p. reported YoY

EPS
(US cents)

17

1H15
110% YoY

- Improving organic YoY trend
- Results in line with management expectations
- Organic decline of 2% YoY in service revenue:
  - Delayed 3G launch in Algeria
  - Continued market weakness in Italy
- 22% YoY mobile data revenue organic growth
- EBITDA margin decreased organically 0.5 pp YoY due to additional network costs in Italy as a result of tower sale
- Reported results continue to be impacted by currency headwinds

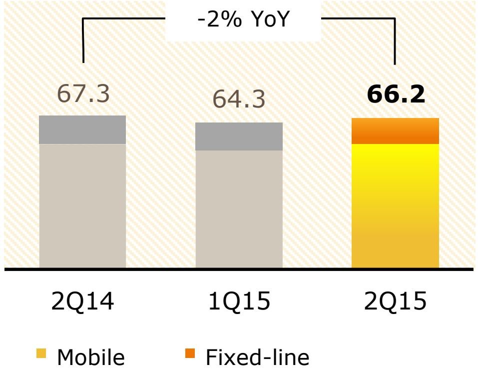
[1] *EBITDA margin is EBITDA divided by total revenue; EBITDA and EBITDA margin are non-GAAP financial measures – reconciliations are included in the Appendix*

[2] *Revenue and EBITDA organic growth are non-GAAP financial measures that exclude the effect of foreign currency translation and certain items such as liquidations and disposals*

Russia: continued operational improvements

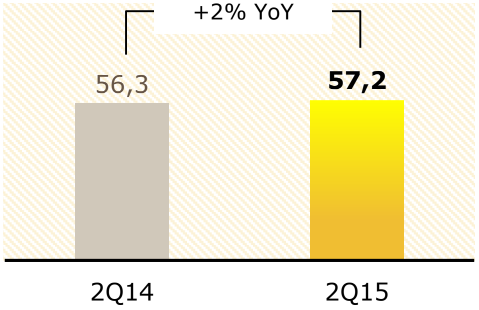
RUB BILLION, UNLESS STATED OTHERWISE

Service revenue

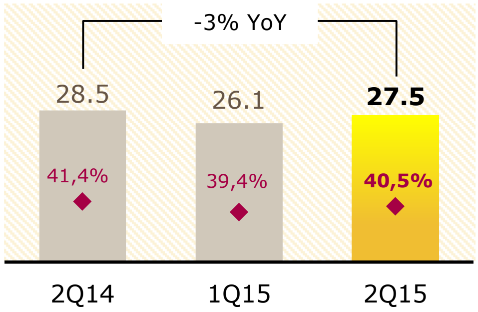


Mobile customers

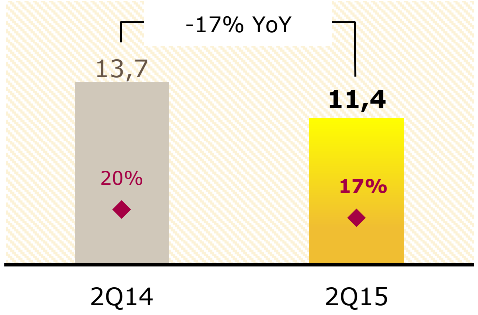
(million)



EBITDA and EBITDA margin



Capex and Capex/revenue



- Continued improvements in NPS, surpassing main competitor
- Churn improved to best level in five years
- Third consecutive quarter of YoY customer growth
- 19% YoY mobile data revenue growth
- Excluding currency headwinds, EBITDA would have been stable YoY

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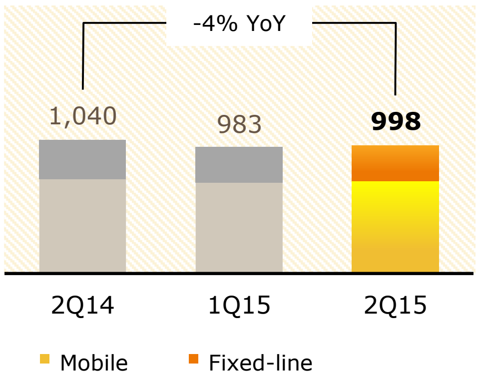
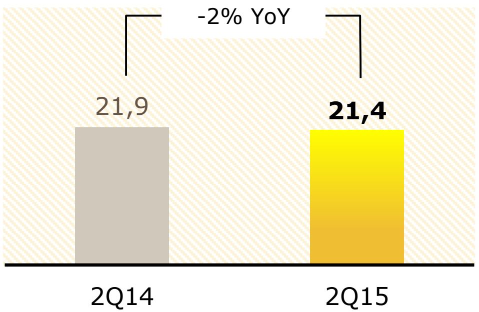
Italy: sequential improvement in mobile performance

EUR MILLION, UNLESS STATED OTHERWISE

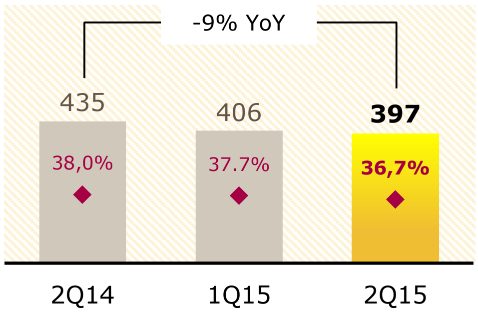
Service revenue



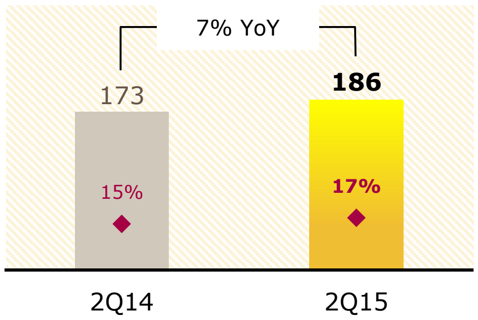
Mobile customers
(million)



EBITDA and EBITDA margin



Capex and Capex/revenue



- 2Q15 mobile service revenue trend shows further sequential improvement: -2% YoY
- Mobile ARPU increased to EUR 11.2 with data ARPU accounting for 41% of total ARPU
- 16% YoY mobile data revenue growth, 14% mobile data users increase to 11 million
- EBITDA decreased due to impact of tower transaction
- Stable EBITDA margin excluding tower impact

WIND

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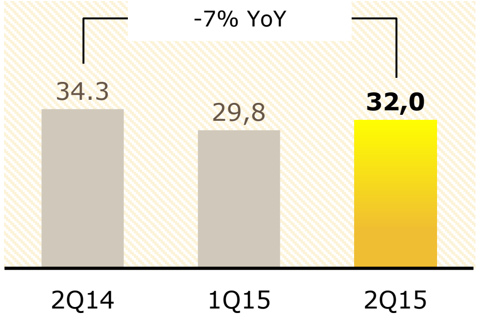
Algeria: transformation underway

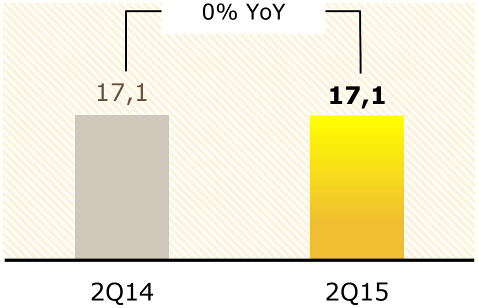
DZD BILLION, UNLESS STATED OTHERWISE

Service revenue

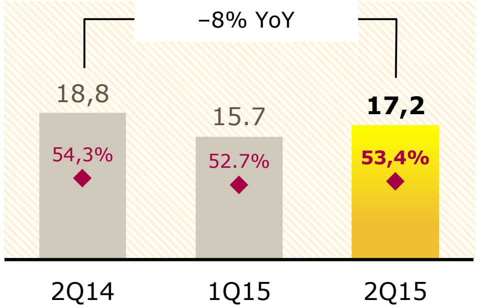


Mobile customers[1]

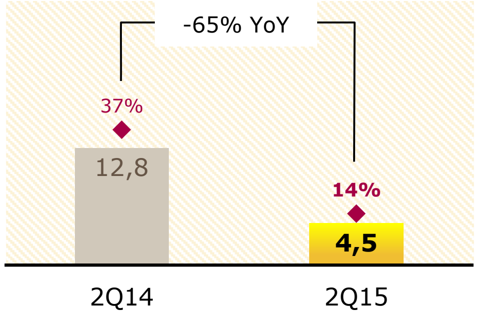
(million)



EBITDA and EBITDA margin



Capex and Capex/revenue



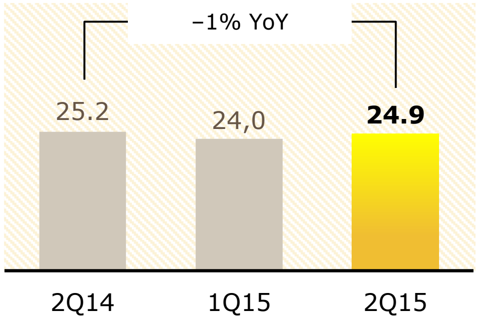
- Transformation program started with organizational restructuring, new CEO on board
- Clear leader in NPS
- EBITDA margin still strong at 53%
- Continued investments in 3G network roll out and modernization of 2G sites
- 50% QoQ mobile data revenue growth and increased six-fold YoY
- Results expected to remain under pressure in 2015. Transformation will take another 9-15 months

[1] *As part of transformation program the 2Q14 customer base was revised down to 17.1 million in order to ensure compliance with the three month active definition*

Pakistan: strong operational improvements

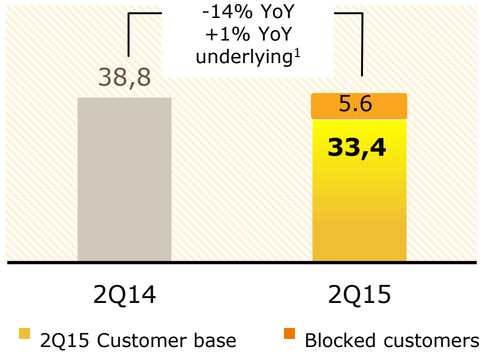
PKR BILLION, UNLESS STATED OTHERWISE

Service revenue

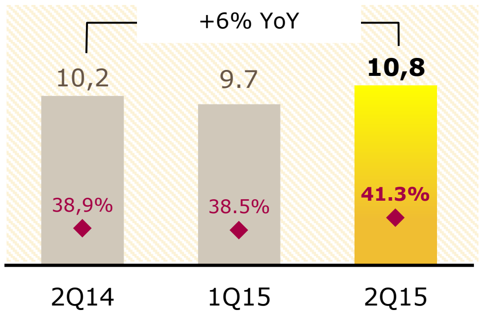


Mobile customers

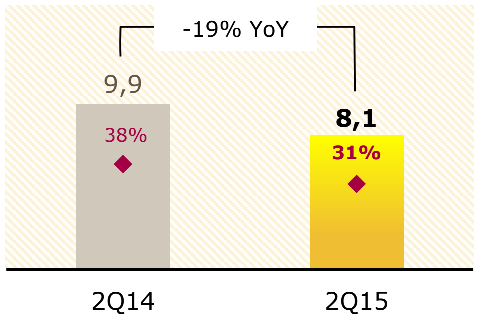
(million)



EBITDA and EBITDA margin²



Capex and Capex/revenue



- Successfully completed SIM re-verification resulted in market share gains:
  - 87% customers verified
  - 99% of revenue secured
- Mobilink gained both customer and revenue market shares QoQ
- 75% YoY mobile data revenue growth
- MFS revenue doubled YoY
- Underlying EBITDA margin³ of 40.2%, benefiting from power cost savings
- First operator to launch 3G in 200 cities

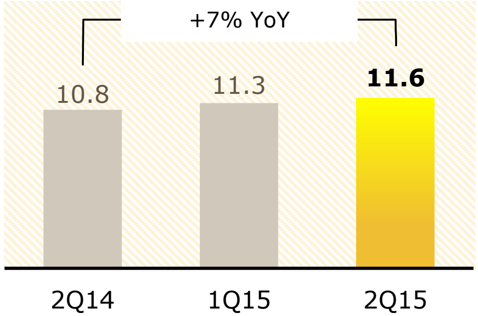
Mobilink

¹ Excluding the SIM re-verification impact of 5.6 million, the customer base in 2Q15 would have increased 1% YoY
² In 1Q15 underlying EBITDA and EBITDA margin, excl SIM-verification (PKR 0.7 bn) costs were PKR 10.4 bn and 41.5% respectively
³ Underlying EBITDA margin adjusted for SIM verification costs of PKR 0.6 bn and positive one-off in utility costs of PKR 0.9 bn

Bangladesh: continued robust growth

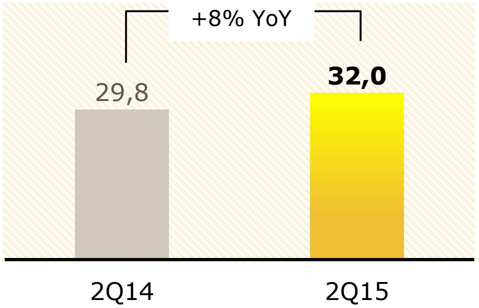
BDT BILLION, UNLESS STATED OTHERWISE

Service revenue

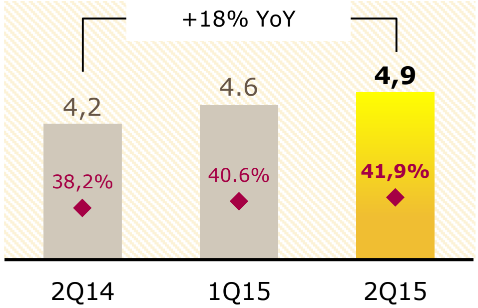


Mobile customers

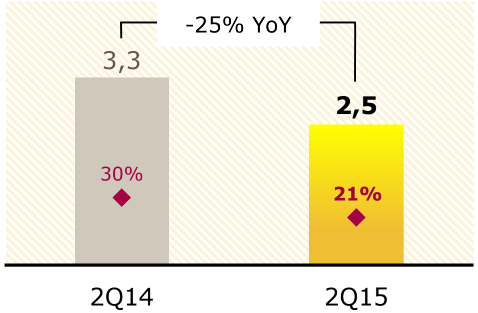
(million)



EBITDA and EBITDA margin



Capex and Capex/revenue



- Continued revenue market share gains
- Strong YoY revenue growth despite aggressive competitive environment
- Solid EBITDA margin of 41.9% due to revenue growth and OPEX control
- 86% YoY mobile data revenue growth, driven by significant increase in usage
- Continued investments in high-speed data networks

banglalink

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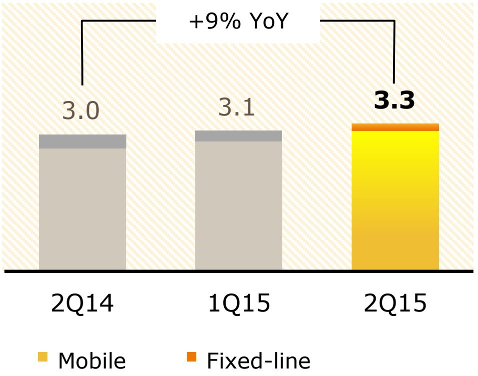
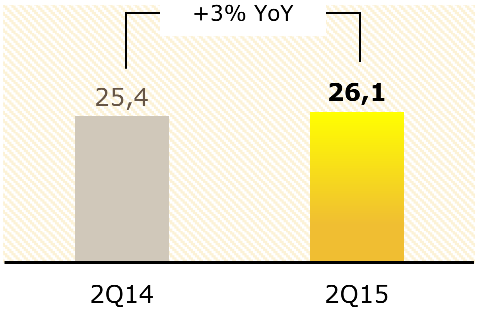
Ukraine: successful 3G launch

UAH BILLION, UNLESS STATED OTHERWISE

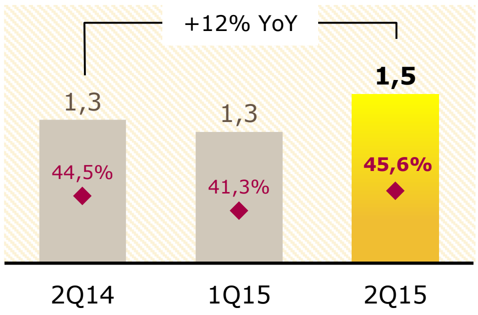
Service revenue



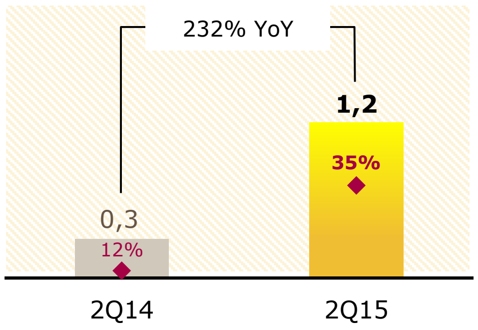
Mobile customers
(million)



EBITDA and EBITDA margin



Capex[1] and Capex/revenue



- Successful 3G launch ahead of competition, offering widest coverage
- 26% YoY mobile data revenue growth
- Improvement in annualized churn of 5 p.p. YoY
- Strong mobile service revenue growth as a result of higher interconnect revenue and commercial activities
- Robust EBITDA recovery driven by revenue growth and cost efficiencies
- Capex increase driven by 3G network roll-out

KYIVSTAR

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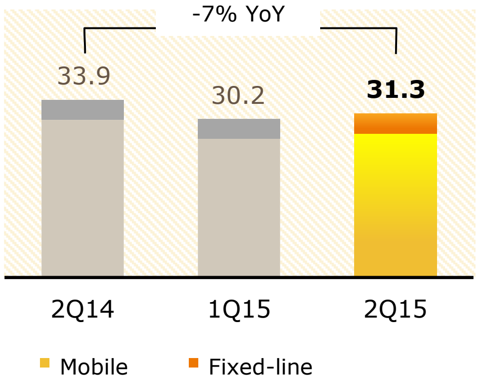
[1] *Capex excluding licenses*

Kazakhstan: heightened competitive pressure

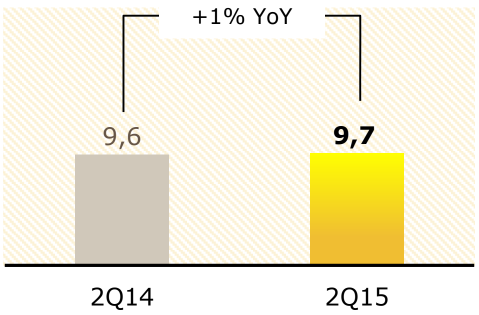
KZT BILLION, UNLESS STATED OTHERWISE

Service revenue

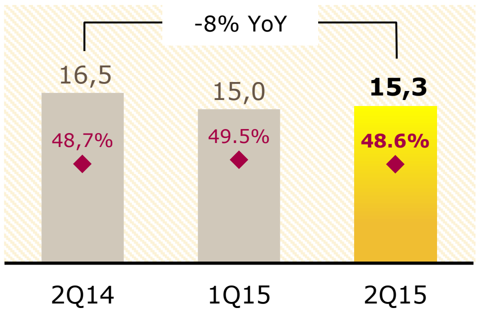


Mobile customers

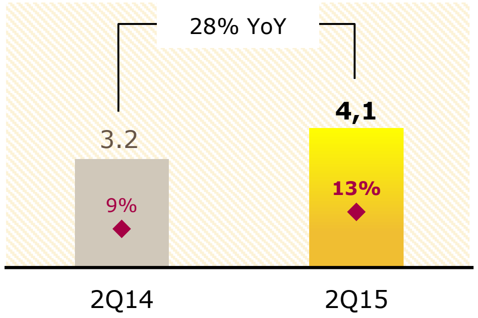
(million)



EBITDA and EBITDA margin



Capex and Capex/revenue



- Mobile service revenue decreased 3% YoY, excluding MTR reductions
- 34% YoY mobile data revenue growth
- Fixed-line service revenue grew 1% YoY
- Stable EBITDA margin aided by MTR reductions
- Increased competitive environment expected to remain in 2015

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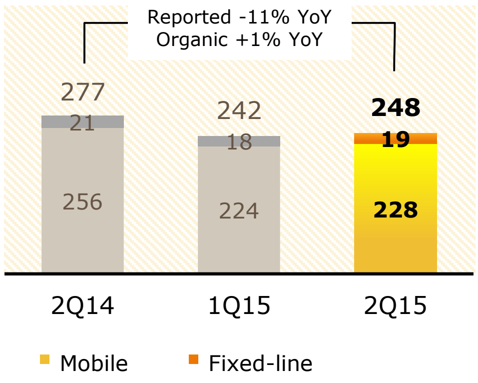
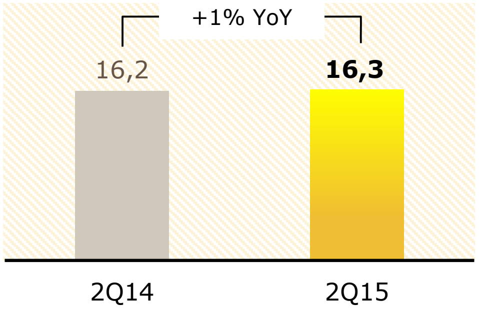
Eurasia[1]: strong cash flow

USD MILLION, UNLESS STATED OTHERWISE

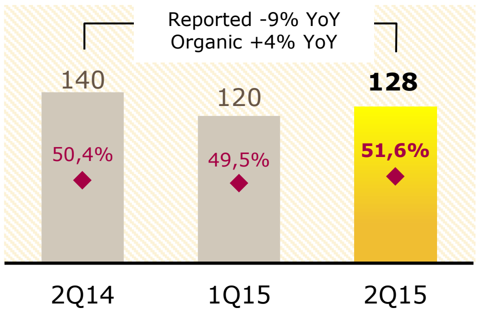
Service revenue



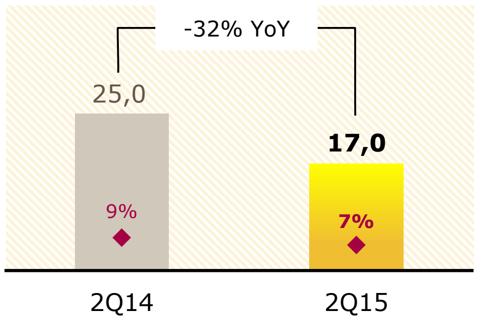
Mobile customers
(million)



EBITDA and EBITDA margin



Capex and Capex/revenue



- Mobile service revenue increased organically 1% YoY due to solid results in Kyrgyzstan
- Mobile data revenue growth of 7% YoY
- Churn improved YoY in Uzbekistan, Armenia, Kyrgyzstan and Tajikistan
- Competition increasing in Uzbekistan due to third and fourth operator entering the market
- Strong operating cash flow[2]

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[1] Eurasia consists of our operations in Uzbekistan, Armenia, Kyrgyzstan, Tajikistan, Georgia
[2] Operating cash flow defined as EBITDA less Capex

2Q15 income statement

USD million	2Q15	2Q14	YoY	
Revenue	3,759	5,067	(26%)	• Organic decline of 2% due to the delayed 3G launch in Algeria, continued market weakness in Italy, partly offset by growth in Ukraine and Bangladesh
of which service revenue	***3,610***	***4,861***	***(26%)***	
EBITDA	**1,511**	**2,076**	**(27%)**	• Organic decline of 3% mainly driven by revenue decline
EBITDA Margin	***40.2%***	***41.0%***	***(0.8pp)***	
D&A and other	(865)	(1,138)	(24%)	• Decrease due to local currency depreciation, lower depreciation in Italy due to tower sale and decrease in amortization costs due to reduction in the charge on customer relationships in Italy
EBIT	**646**	**939**	**(31%)**	
Financial expenses	(363)	(533)	(32%)	• Significant YoY reduction from refinancing of WIND Italy in 2014, debt repayment in 1H15 and weakening of ruble and euro
FOREX and Other	(95)	74	n.m.	• Negative effect in 2Q 15 from fair value adjustment on derivatives. 2Q14 reflects one-off gains from Italian refinancing and withholding tax settlements in Italy
Profit before tax	**188**	**479**	**(61%)**	
Tax	(42)	(421)	(90%)	• In 2Q15, positive effect of USD 75 million on deferred taxes as a result of legal restructuring • In 2Q14, non-cash charges related to the refinancing of WIND and non-deductible interest expenses in Italy
Profit for the period	**146**	**58**	**152%**	
Non-controlling interest	(38)	42	n.m.	• Sale of 51% in OTA in Algeria and lower losses in GTH
Net income[1]	**108**	**100**	**8%**	

[1] *Net income attributable to VimpelCom shareholders*

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2Q15 cash flow statement

USD million	2Q15	2Q14	YoY	
EBITDA	1,511	2,076	(565)	
Changes in working capital and other	(245)	(160)	(85)	
Net interest paid	(356)	(549)	193	• Significant YoY reduction from refinancing of Wind Italy and debt repayment and weakening of RUB and EUR
Income tax paid	(109)	(265)	156	• Decreased due to lower profits and local currency depreciation
Net cash from operating activities	**801**	**1,102**	**(301)**	
Net cash used in investing activities	**(808)**	**(1,060)**	**252**	• Decrease YoY due to depreciation of the RUB, EUR and UAH against the USD and modernization projects completed in 2014
Net cash flow from financing activities	**(2,276)**	**960**	**(3,236)**	• In 2Q15 buy back of USD 1.8 billion bonds
Net (decrease)/increase in cash and cash equivalents	**(2,283)**	**1,002**	**(3,285)**	

Annual targets 2015

	Original targets 2015[1]	Actual 1H15	Updated[3] targets 2015[1]
Service revenue	Flat to low single digit decline YoY	-2% YoY	unchanged
EBITDA margin	Flat to minus one p.p. YoY	-1.1 p.p. YoY	unchanged
EPS[2]	USD 0.35 – 0.40	USD 0.17	unchanged
Capex/revenue	~20%	15%	Improved to 18-20%
Leverage (net debt/EBITDA)	~3.2x	~2.6x	n.a.
Excl. Italy	~1.7x	~1.3x	Lowered to ~1.6x

[1] The annual targets for 2015 assume constant currency, no major regulatory changes, no change to the asset portfolio and no major macro-economic changes
[2] EPS at constant currency and stable fair value of derivatives, excluding exceptional charges such as impairment charges, restructuring charges, litigation and settlements, impact of M&A transactions, other one-off charges and constant number of shares
[3] Targets adjusted for Italy classified as asset held for sale and discontinued operations

Conclusion

- Transformative transaction in Italy
  - Improves VimpelCom’s earnings, cash flow and leverage profile
  - Annualized Opex & Capex net synergies of EUR 700 million
  - In excess of EUR 5 billion NPV in cost synergies, net of integration costs
- New strategic framework to improve cash flow by USD 750 million p.a.
- Continued improvements in operational performance, despite challenging macro economic environments
- On track to deliver 2015 targets

VimpelCom’s analyst & investor conference

October 8 & 9, 2015

London, United Kingdom

Presentations by
Group Management

Q&A

Further information

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Appendix

Accounting implications of JV in Italy

Upon signing

- The Italian operations will be classified as 'held for sale' and reported as a 'discontinued operation':
  - The results from Italy will be presented as one line 'discontinued operations' in the income statement and cash flow statement. Consolidated net income & FCF will not be impacted
  - All assets and liabilities of Italy, including debt, will be reported on the balance sheet as current assets/liabilities and presented in separate line items

Upon closing

- The investment will be accounted for by using the equity method
  - The 50% shareholding in JV will initially be recorded at fair value as an investment in non-current assets
  - The difference between the 'fair value of the investment' and the 'assets and liabilities held for sale'[1] will be an entry in the profit and loss at the EBIT level

Note:
[1] Including attributable goodwill and any attributable foreign currency translation adjustments from equity

VimpelCom Ltd interim consolidated statements of income pro forma for announcement of Italy transaction

USD mln	1H15	Presentation of Italy as held for sale	1H15 Proforma	1H14	Presentation of Italy as held for sale	1H14 Proforma
Total operating revenue	**7,274**	**(2,392)**	**4,882**	**10,091**	**(3,119)**	**6,972**
Service revenue	6,968	(2,193)	4,775	9,671	(2,825)	6,846
Total operating expenses	5,749	(1,705)	4,044	8,228	(2,792)	5,436
Operating profit	**1,525**	**(688)**	**838**	**1,863**	**(327)**	**1,536**
Finance costs	769	(340)	429	1,081	(571)	510
Finance income	(25)	0	(24)	(35)	20	(15)
Other non-operating losses/(gains)	68	7	75	(22)	(93)	(115)
Shares of loss/(gains) of associates and joint ventures accounted for using the equity method	9	(20)	(11)	43	-	43
Net foreign exchange (gain)/ loss	73	(25)	48	71	162	233
Profit before tax	**631**	**(310)**	**321**	**725**	**156**	**881**
Income tax expense	312	(182)	130	594	(227)	367
Profit for the period from continued operations	**319**	**(128)**	**191**	**131**	**383**	**514**
Profit/(loss) for the period from discontinued operations	**-**	**128**	**128**	**-**	**(383)**	**(383)**
Non-controlling interest	27	-	27	(8)	-	(8)
Net income attributable to VimpelCom shareholders	**292**	**(0)**	**292**	**139**	**-**	**139**

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VimpelCom Ltd interim consolidated statement of financial position pro forma for announcement of Italy transaction

USD mln	30 June 2015	Presentation of Italy as held for sale	30 June 2015 Proforma
Assets			
Non-current assets	29,401	(13,635)	15,766
Current assets	7,283	(1,397)	5,886
Assets classified as held for sale	3	15,275	15,278
Total assets	**36,687**	**243**	**36,930**
Equity and liabilities			
Equity	6,305	(0)	6,305
Non-current liabilities	21,662	(13,206)	8,456
Current liabilities	8,720	(2,348)	6,372
Liabilities associated with assets held for sale	-	15,796	15,796
Total equity and liabilities	**36,687**	**243**	**36,930**

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VimpelCom Ltd interim consolidated statements of cash flows pro forma for announcement of Italy transaction

USD mln	1H15	Presentation of Italy as held for sale	1H15 Proforma	1H14	Presentation of Italy as held for sale	1H14 Proforma
Net cash from operating activities on continued operations	37	(224)	(187)	2,270	(289)	1,981
Net cash from operating activities on discontinued operations	-	224	224	-	289	289
Net cash used in investing activities on continued operations	(757)	(324)	(1,081)	(2,271)	424	(1,847)
Net cash used in investing activities on discontinued operations	-	324	324	-	(424)	(424)
Net cash from financing activities on continued operations	(1,140)	691	(449)	1,160	241	1,401
Net cash from financing activities on discontinued operations	-	(691)	(691)	-	(241)	(241)
Net increase in cash and cash equivalents	**(1,860)**	**-**	**(1,860)**	**1,159**	**-**	**1,159**

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VimpelCom's 1H15 performance pro forma Italy held for sale

	VimpelCom incl. Italy	pro forma (VimpelCom excl. Italy)
USD m, 1H15		
Total operating revenue	7,274	4,882
% organic YoY	*(1.6%)*	*(0.9%)*
EBITDA	**2,907**	**2,006**
% organic YoY	*(4.3%)*	*(3.2%)*
% of revenue	*40.0%*	*41.1%*
Capex (excl. licenses)	**1,082**	**680**
% of revenue	*14.9%*	*13.9%*
OpFCF[1]	**1,825**	**1,326**
% of revenue	*25.1%*	*27.2%*
Net debt	**17,904**	**5,830**
x of LTM EBITDA	*2.6x*	*1.3x*

Note:
[1] Defined as EBITDA – Capex (excl. licenses)

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Credit facilities

USD 0.05 bn credit facilities arranged in 2Q15:

Financing	
Algeria	USD 0.05 billion (DZD 5 billion)

Available RCF headroom at the end 2Q15:

VimpelCom	USD 1.8 billion
PJSC VimpelCom	USD 0.3 billion (RUB 15 billion)

Available VF/CF headroom at the end 2Q15:

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

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Debt by entity

As at June 30, 2015

Outstanding debt (USD millions)	Type of debt/lender					
Entity	**Bonds**	**Loans**	**RCF**	**Vendor Financing**	**Other**	**Total**
VimpelCom Holdings B.V.	3,399	-	-	-	-	3,399
VimpelCom Amsterdam B.V.	-	1,000	-	695	-	1,695
PJSC VimpelCom	2,044	1,396	-	169	45	3,654
Pakistan Mobile Communications Limited	46	318	-	-	3	367
Banglalink Digital Communications Ltd.	300	132	-	-	0	433
Omnium Telecom Algeria S.p.A.	-	550	-	-	0	550
KaR-Tel LLP	-	45	-	-	-	45
Others	-	19	-	9	11	40
Total	**5,788**	**3,460**	**-**	**873**	**60**	**10,182**

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FOREX rates used in annual targets for 2015

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

Service revenue and EBITDA development in 2Q15 and 1H15

USD mln	2Q15	2Q14	Reported YoY	Organic YoY	1H15	1H14	Reported YoY	Organic YoY
Service revenues	**3,610**	**4,861**	**(26%)**	**(2%)**	**6,968**	**9,671**	**(28%)**	**(2%)**
Russia	1,257	1,924	(35%)	(2%)	2,292	3,772	(39%)	(1%)
Italy	1,104	1,425	(23%)	(4%)	2,212	2,844	(22%)	(5%)
Algeria	326	434	(25%)	(7%)	645	863	(25%)	(9%)
Pakistan	244	256	(5%)	(1%)	481	498	(3%)	(3%)
Bangladesh	149	139	7%	7%	294	271	8%	9%
Ukraine	153	259	(41%)	9%	304	593	(49%)	7%
Kazakhstan	169	185	(9%)	(7%)	333	365	(9%)	(4%)
Eurasia	247	277	(11%)	1%	483	532	(9%)	3%
other	(39)	(38)			(76)	(67)		
EBITDA	**1,511**	**2,076**	**(27%)**	**(3%)**	**2,907**	**4,165**	**(30%)**	**(5%)**
Russia	524	813	(36%)	(3%)	944	1,574	(40%)	(2%)
Italy	444	600	(26%)	(9%)	904	1,194	(24%)	(7%)
Algeria	175	238	(26%)	(8%)	344	485	(29%)	(13%)
Pakistan	106	104	2%	6%	202	203	(0%)	0%
Bangladesh	63	54	18%	18%	123	103	19%	19%
Ukraine	70	115	(39%)	12%	133	278	(52%)	0%
Kazakhstan	82	90	(9%)	(8%)	163	176	(7%)	(3%)
Eurasia	128	140	(9%)	4%	246	271	(9%)	3%
other	(81)	(78)			(152)	(119)		
EBITDA margin	**40.2%**	**41.0%**	**(0.8pp)**	**(0.5pp)**	**40.0%**	**41.3%**	**(1.3pp)**	**(1.1pp)**

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Reconciliation of EBITDA

USD mln	2Q15	2Q14
Unaudited		
EBITDA	**1,511**	**2,076**
Depreciation	(559)	(742)
Amortization	(290)	(379)
Impairment loss	(13)	(2)
Loss on disposals of non-current assets	(3)	(15)
EBIT	**646**	**938**
Financial Income and Expenses	(363)	(533)
- including finance income	12	21
- including finance costs	(375)	(554)
Net foreign exchange gain / (loss) and others	(95)	74
- including Other non-operating gains / (losses)	(139)	59
- including Shares of loss of associates and joint ventures accounted for using the equity method	(6)	(6)
- including Net foreign exchange gain / (losses)	50	21
EBT	**188**	**479**
Income tax expense	42	421
Profit for the year	**146**	**58**
Profit/(loss) for the year attributable to non-controlling interest	38	(42)
Profit for the year attributable to the owners of the parent	**108**	**100**

USD mln	2Q15 LTM	2Q14 LTM
Unaudited		
EBITDA	**6,712**	**7,651**
Add back provisions related to the 51% sale in Algeria	50	1,266
LTM EBITDA adjusted	**6,762**	**8,917**

Reconciliation of consolidated net debt

Reconciliation of consolidated net debt

USD mln	2Q15	1Q15	4Q14
Net debt	17,904	17,608	19,992
Cash and cash equivalents	4,220	6,499	6,342
Long-term and short-term deposits	225	118	109
Gross debt	22,348	24,225	26,443
Interest accrued related to financial liabilities	346	371	410
Fair Value adjustment	31	49	29
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	(78)	(75)	(106)
Other liabilities at amortized costs	72	271	259
Derivatives designated as hedges	84	108	89
Total debt and other financial liabilities	22,804	24,949	27,124