



# FY 2016 ANALYST AND INVESTOR DAY

**Barcelona**  
27 February 2017

# DISCLAIMER



This presentation contains "forward-looking statements," as the phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by words such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" and other similar words. Forward-looking statements include statements relating to, among other things, the Company's plans to implement its strategic priorities, including with respect to its performance transformation, among others; anticipated performance and guidance for 2017, including the Company's ability to generate sufficient cash flow; future market developments and trends; expected synergies of the Italy Joint Venture, including expectations regarding capex and opex benefits; realization of the synergies of the Warid transaction; operational and network development and network investment, including expectations regarding the roll-out and benefits of 3G/4G/LTE networks, as applicable and the Company's ability to realize its targets and strategic initiatives in its 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, trends and other potential developments. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of demand for and market acceptance of the Company's products and services; continued volatility in the economies in the Company's markets; unforeseen developments from competition; governmental regulation of the telecommunications industries; general political uncertainties in the Company's markets; government investigations or other regulatory actions and/or litigation with third parties; failure to realize the expected benefits of the Italy Joint Venture or the Warid transaction as expected or at all due to, among other things, the parties' inability to successfully implement integration strategies or otherwise realize the anticipated synergies; risks associated with data protection or cyber security, other risks beyond the parties' control or a failure to meet expectations regarding various strategic initiatives, including, but not limited to, the performance transformation program, the effect of foreign currency fluctuations, increased competition in the markets in which VimpelCom operates and the effect of consumer taxes on the purchasing activities of consumers of VimpelCom's services. Certain other 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, 2015 filed with the U.S. Securities and Exchange Commission (the "SEC") and other public filings made by the Company with the SEC. Other unknown or unpredictable factors also could harm the Company's future results. New risk factors and uncertainties emerge from time to time and it is not possible for the Company's management to predict all risk factors and uncertainties, nor can the Company assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Under no circumstances should the inclusion of such forward-looking statements in this presentation be regarded as a representation or warranty by the Company or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. Therefore, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date hereof. The Company cannot assure you that any projected results or events will be achieved. Except to the extent required by law, the Company disclaims any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made, or to reflect the occurrence of unanticipated events.

*All non-IFRS measures disclosed further in this presentation (including, without limitation, EBITDA, EBITDA margin, underlying EBITDA, underlying EBITDA margin, EBIT, EBT, net debt, equity free cash flow, operating cash flow, organic growth, capital expenditures excluding licenses and LTM capex excluding licenses/revenue) are reconciled to comparable IFRS measures in the Company's earnings release published on its website on the date hereof.*

# AGENDA



**BART MORSELT - HEAD OF IR**

Opening

**JEAN-YVES CHARLIER - CEO**

Reinventing VimpelCom

**ANDREW DAVIES - CFO**

2016 results and corporate finance initiatives

**CHRISTOPHER SCHLAEFFER – CDO**

VEON

**YOGESH MALIK - CTO**

Technology leadership

**BREAK – 20 MIN**

**ALEXANDER MATUSCHKA - CPO**

Performance transformation

**KJELL MORTEN JOHNSEN - HEAD OF MAJOR  
MARKETS, CEO RUSSIA**

Russia update

**MAXIMO IBARRA - CEO ITALY JV**

Wind Tre hits the market

**JEAN-YVES CHARLIER**

Final remarks

**Q&A - 30 MIN**

**COCKTAILS (18.00 – 19.00)**

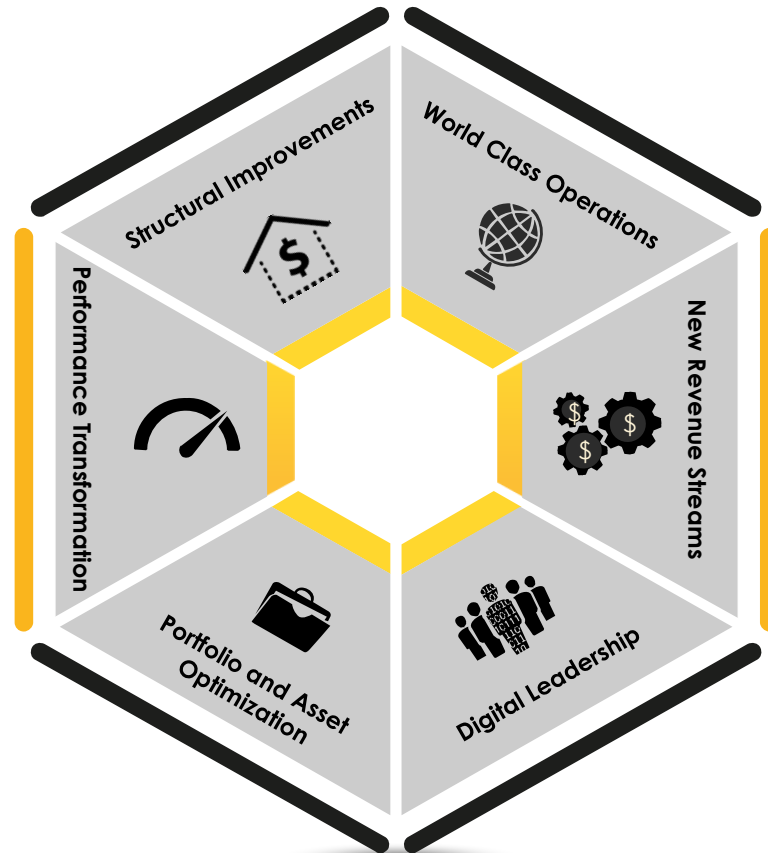


# REINVENTING VIMPELCOM

**Jean-Yves Charlier**  
Chief Executive Officer



# 18 MONTHS AGO, WE ANNOUNCED A STRATEGY TO TRANSFORM VIMPELCOM...



# TRANSFORMATION PROGRESS



## 1 STRUCTURAL IMPROVEMENTS

- ▶ Algeria transaction
- ▶ Uzbekistan settlement
- ▶ GTH bond & share buy-back
- ▶ Substantial free float increase
- ▶ Strengthened balance sheet

## 2 WORLD CLASS OPERATIONS

- ▶ New global vision & values
- ▶ New leadership team and talent
- ▶ Strengthened Supervisory Board
- ▶ New global operating model
- ▶ Stronger compliance/control environment

## 3 TRANSFORMING THE COST BASE

- ▶ Reduced legacy costs by USD 402 million, enabling re-investment in our digital strategy
- ▶ Capex to revenue reduced from 21% in 2014 to 17% in 2016
- ▶ USD 588 million in underlying equity free cash flow<sup>1</sup> in FY 2016



# TRANSFORMATION PROGRESS



## 4 PORTFOLIO OPTIMIZATION

- ▶ In-market consolidation: Italy and Pakistan transactions
- ▶ Disposal of non-strategic assets
- ▶ Network sharing: Russia, Kazakhstan
- ▶ Tower portfolio to be disposed of



## 5 NEW REVENUE STREAMS

- ▶ Returned to organic growth
- ▶ 26% organic growth in mobile data revenue in FY 2016
- ▶ Focus on FMC & B2B



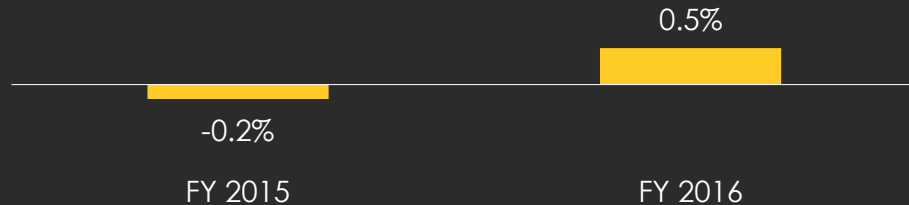
## 6 DIGITAL LEADERSHIP

- ▶ Changing the business model from bricks and mortar to digital
- ▶ VEON internet platform launched in Italy
- ▶ Implementing an integrated digital model with new BSS and data analytics

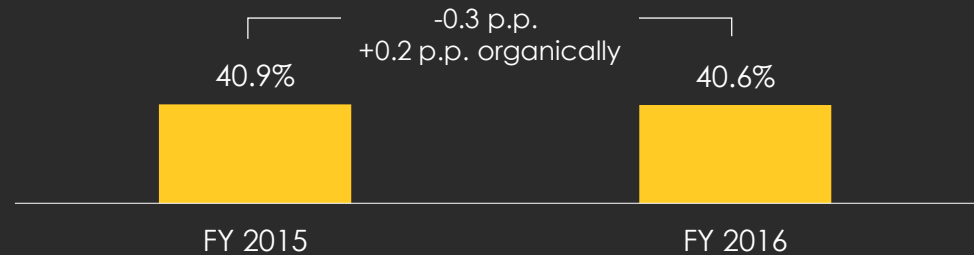
# THESE INITIATIVES HAVE ALLOWED US TO DELIVER ROBUST RESULTS IN 2016

**ALL NUMBERS EXCLUDE WARID CONTRIBUTION**

Organic<sup>1</sup> service revenue<sup>2</sup> development



Underlying EBITDA<sup>3</sup> margin development



LTM capex (excl. licenses)/revenue development



OCF Margin = (Underlying EBITDA<sup>3</sup> – capex)/revenue



<sup>1</sup> Organic change is non-IFRS financial measure that excludes the effect of foreign currency translation and Warid acquisition

<sup>2</sup> The Company changed the accounting treatment for certain elements of its mobile content revenue from a gross to a net representation and revised historical results for this effect on mobile service revenue

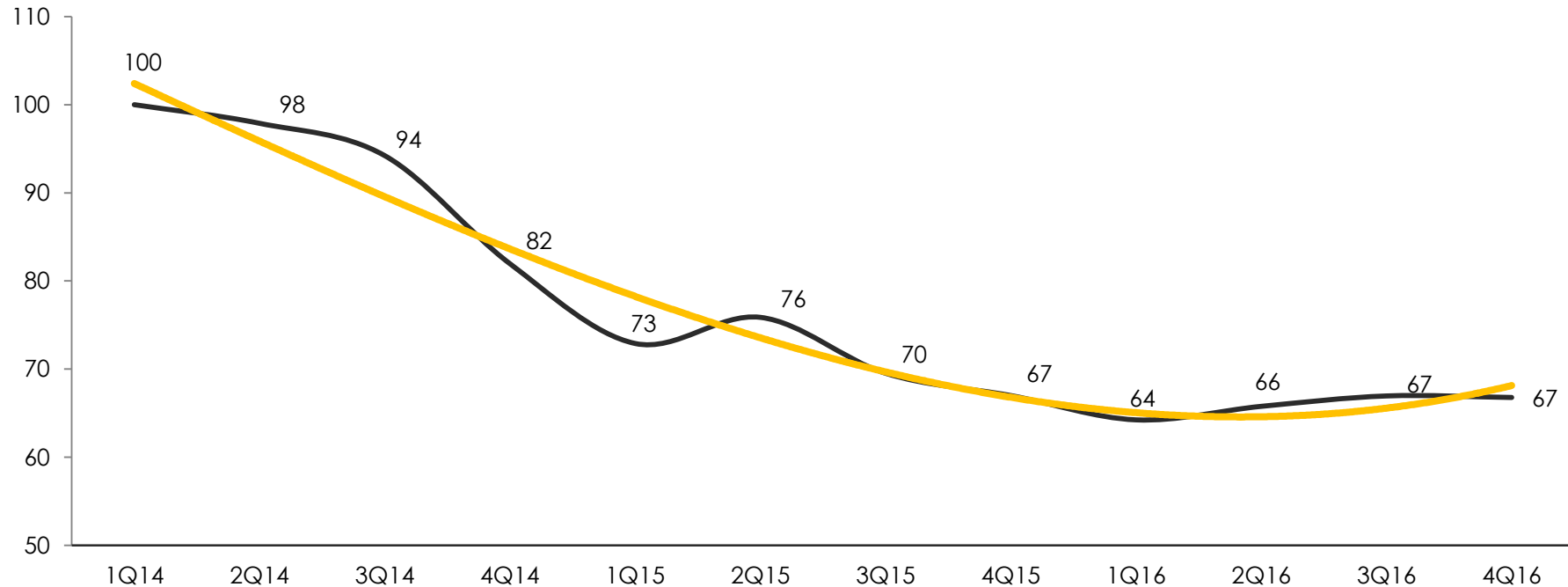
<sup>3</sup> Underlying EBITDA excludes exceptional items:

Exceptional items in FY 2015: provisions for investigations (related to SEC/DOJ/OM) and other legal costs of USD 927 million, and transformation costs of USD 135 million

Exceptional items in FY 2016: USD 341 million as a net effect of transformation costs of USD 245 million, USD 66 million related to Iraqna litigation provision and other costs of USD 22 million.



# AT THE SAME TIME, THE CURRENCY HEADWINDS ARE RECEDING...



# AND THE COMPANY DELIVERED ON 2016 TARGETS



USD MILLION  
UNLESS OTHERWISE STATED

	FY 2015 <sup>1</sup>	FY 2016 target <sup>2</sup>	FY 2016 pro-forma (excl. Warid)	
Service revenue	9,313	Flat to low single digit	8,402 +0.5% YoY organically	✓
EBITDA margin underlying	40.9%	Flat to +1 p.p. YoY	40.6% +0.2 p.p. YoY organically	✓
CAPEX / Revenue	18.5%	17-18%	17.4%	✓
OCF <sup>3</sup> margin	22.3%	Flat to +2 p.p.	23.3% +1 p.p. YoY	✓
Leverage	1.4x	~2.0x	2.0x	✓

<sup>1</sup> The Company changed the accounting treatment for certain elements of mobile content revenue from a gross to a net representation and revised historical results for this effect on mobile service revenue

<sup>2</sup> Targets for 2016 assumed no major regulatory changes, no change to the asset portfolio and no major macro-economic changes; targets also exclude the Italy JV; EBITDA margin excludes exceptional items such as impairment charges, restructuring charges, litigation and settlements, impact of M&A transactions and related accounting and other one-off charges and transformation costs. FY 2015 is the base for organic calculations, organic changes for 2016 are calculated using 2015 rates

<sup>3</sup> Operating cash flow, defined as underlying EBITDA less capex excluding licenses

# 3 MAJOR FINANCIAL ANNOUNCEMENTS ON THE BACK OF THESE ROBUST RESULTS



## DIVIDEND POLICY

- ▶ Announcement of a meaningful dividend policy
- ▶ US 23 cents per share for FY 2016
  - ▶ US 3.5 cents already paid
  - ▶ US 19.5 cents final

## EURONEXT LISTING EXPECTED

- ▶ Logical second listing in Amsterdam
- ▶ Listing expected Q2 2017
- ▶ Broaden investor base

## STRONGER OUTLOOK PROJECTED

- ▶ Returned to financial health with strong 2016 progress
- ▶ Stronger equity free cash flow expected<sup>1</sup>, targeting USD 700-800 million in 2017 and more than USD 1 billion for 2018

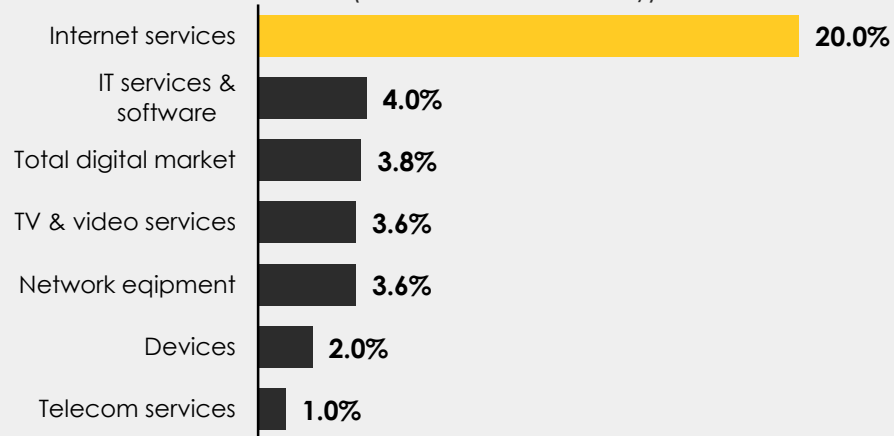
# TRANSFORMATION PROGRESS

## GROWTH HAS BEEN LAGGING BEHIND OTHER DIGITAL SECTORS

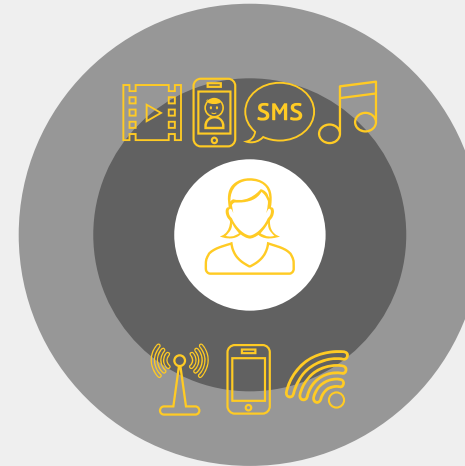
## NO MEANINGFUL ENGAGEMENT WITH CUSTOMERS

### TELECOMS IS FACING A GROWTH CHALLENGE

IDATE digiworld yearbook 2016, Citi research – 2013-2015 revenue CAGR (Euro constant currency)



### YESTERDAY



### TODAY



# DIGITAL STRATEGY: FROM TELCO TO TECH



## NEW INTERNET PLATFORM

- ▶ Zero rating as a fundamental component of the service , allowing users to stay connected for free, no matter what their data plan
- ▶ Users communicate by voice, text, picture, and video through beautifully designed interface
- ▶ Highly intuitive partner, offering users new, personalised & contextual services



## RE-INVENTING BRICKS & MORTAR MODEL

- ▶ Smooth, easy, fun & intuitive experience where everything is at the user's fingertips
- ▶ No more queuing up in stores to top-up or waiting for a customer service agent



## RE-ENGINEERING LEGACY SYSTEMS & DATA ARCHITECTURE

- ▶ Strong data and analytics fuelling tailored customer offerings and market place
- ▶ Creation of a new digital stack
- ▶ Unprecedented feature set thanks to deep integration with core network

VIMPELCOM IS NOW...



VEON



VIDEO



VEON

# FROM TELCO TO TECH



## REVITALIZE

### **REVITALIZING OUR BUSINESS TO ACHIEVE WORLD CLASS STANDARDS**

Aggressively grow B2B + FMC

Strengthening B2C commercial model and performance

Moving to an asset light model

Drastically improving efficiency and controls

Develop portfolio and capital structure

Grow equity free cash flow to more than  
**USD 1 billion for 2018**  
to support a sustainable dividend policy



## REINVENT

### **REINVENTING A GLOBAL COMMUNICATIONS PIONEER INTO A GLOBAL TECH COMPANY**

Creating a revolutionary mobile internet platform

Re-engineer legacy systems and data architecture

Re-invent bricks and mortar model



# 2016 RESULTS & CORPORATE FINANCE INITIATIVES

**Andrew Davies**  
Chief Financial Officer



# FY2016 TARGETS ACHIEVED



USD MILLION  
UNLESS OTHERWISE STATED

	FY 2015 <sup>1</sup>	FY 2016 target <sup>2</sup>	FY 2016 pro-forma (excl. Warid)	
Service revenue	9,313	Flat to low single digit	8,402 +0.5% YoY organically	✓
Underlying EBITDA margin	40.9%	Flat to +1 p.p. YoY	40.6% +0.2 p.p. YoY organically	✓
CAPEX/revenue	18.5%	17-18%	17.4%	✓
OCF <sup>3</sup> margin	22.3%	Flat to +2 p.p.	23.3% +1 p.p. YoY	✓
Leverage	1.4x	~2.0x	2.0x	✓

**Achieved > 75% of the medium term cash flow target 2 years early**

<sup>1</sup> The Company changed the accounting treatment for certain elements of mobile content revenue from a gross to a net representation and revised historical results for this effect on mobile service revenue

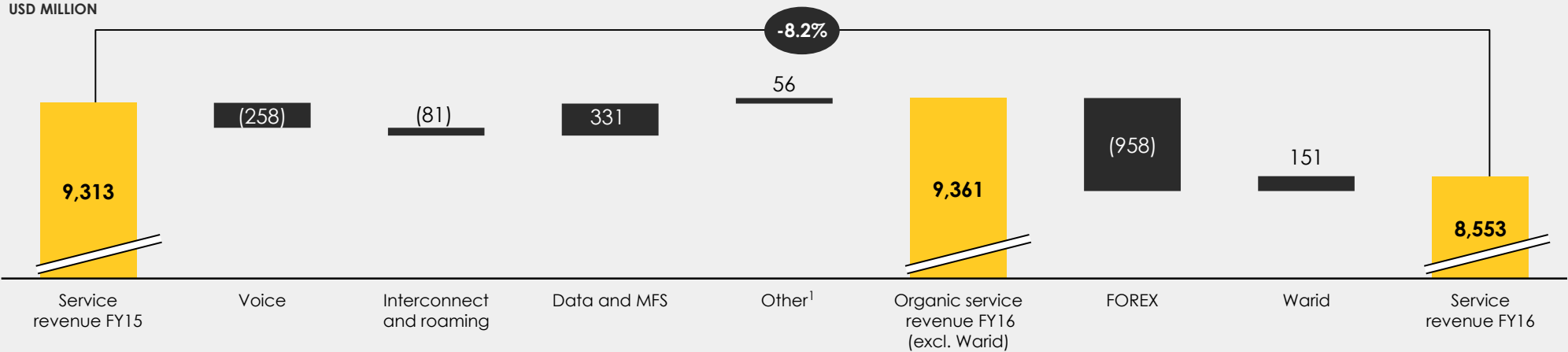
<sup>2</sup> Targets for 2016 assumed no major regulatory changes, no change to the asset portfolio and no major macro-economic changes; targets also exclude the Italy JV; EBITDA margin excludes exceptional items such as impairment charges, restructuring charges, litigation and settlements, impact of M&A transactions and related accounting and other one-off charges and transformation costs. FY 2015 is the base for organic calculations, organic changes for 2016 are calculated using 2015 rates

<sup>3</sup> Operating cash flow, defined as underlying EBITDA less capex excluding licenses

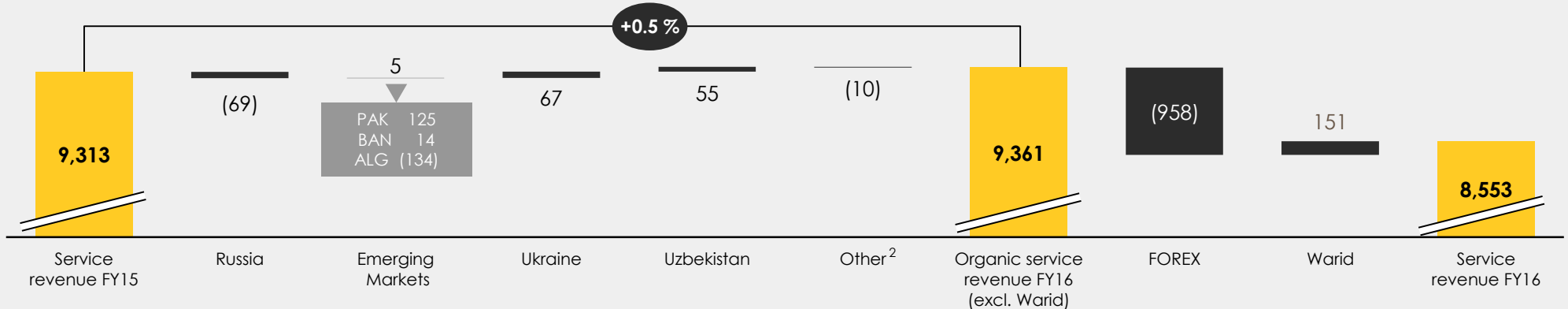
# FY 2016 SERVICE REVENUE EVOLUTION



## FOREX HEADWINDS PARTIALLY MITIGATED BY CONTRIBUTION FROM WARID



## ORGANIC GROWTH OF 2.3% WITHOUT ALGERIA



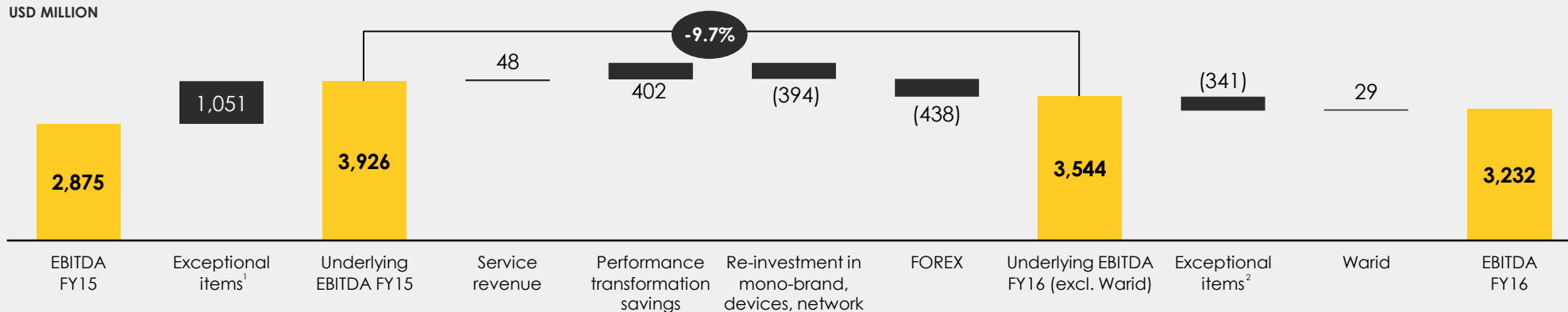
<sup>1</sup> Other also includes intercompany eliminations

<sup>2</sup> Other consists of operations in Kazakhstan, Kyrgyzstan, Georgia, Armenia, Tajikistan and intercompany eliminations

# FY 2016 EBITDA EVOLUTION



## EBITDA IMPACTED BY FOREX HEADWINDS ...



## ... BUT CONTINUES TO GROW ORGANICALLY



<sup>1</sup> Exceptional items in FY 2015 consist of provisions for investigations (related to SEC/DOJ/OM) and other legal costs of USD 927 million, as well as transformation costs of USD 135 million

<sup>2</sup> Exceptional items in FY 2016 consist of USD 341 million as a net effect of transformation costs of USD 245 million, USD 66 million related to Iraqna litigation provision and other costs of USD 22 million.

<sup>3</sup> Other consists of operations in Kazakhstan, Kyrgyzstan, Georgia, Armenia, Tajikistan, HQ and Intercompany eliminations



# FY 2016 INCOME STATEMENT

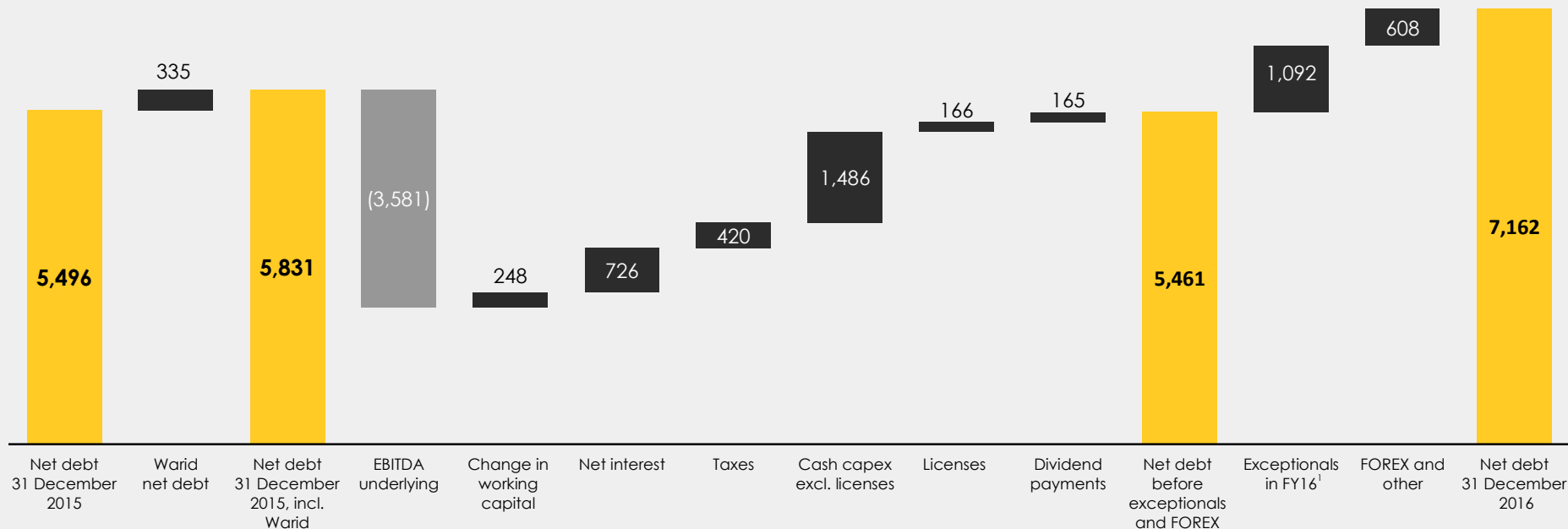


USD MILLION	FY16	FY15	YoY	Organic YoY	
<b>Revenue</b>	<b>8,885</b>	<b>9,606</b>	<b>(7.5%)</b>	<b>1.0%</b>	
Service revenue	8,553	9,313	(8.2%)	0.5%	
<b>EBITDA</b>	<b>3,232</b>	<b>2,875</b>	<b>12.4%</b>	<b>26.6%</b>	
Depreciation & amortization	(1,936)	(2,067)	(6.3%)		▶ Lower depreciation due to FOREX headwinds
Impairments and other	(212)	(283)	(25%)		
<b>EBIT</b>	<b>1,084</b>	<b>524</b>	<b>n.m.</b>		
Net financial expenses and other	(651)	(1,120)	n.m.		▶ Positive YoY FOREX effects, net income of USD 145 million from Wind Tre JV, partially offset by Euroset impairment of USD 99 million
<b>Profit/(loss) before tax</b>	<b>433</b>	<b>(595)</b>	<b>n.m.</b>		
Tax	(635)	(219)	190.1%		▶ In 2016, change in the tax regime in Uzbekistan and USD 95 million deferred tax asset write-off for Wind Tre JV closing. In 2015, reversal of tax provisions of USD 200 million for future withholding taxes on intercompany dividends
<b>Loss for the period from continued operations</b>	<b>(202)</b>	<b>(814)</b>	<b>75.2%</b>		
Profit / (loss) from discontinued operations	2,708	263	n.m.		▶ USD 1.8 billion non-cash provisional gain on closing of Wind Tre JV transaction
Non-controlling interest	(92)	(103)	10.7%		
<b>Profit for the period</b>	<b>2,414</b>	<b>(655)</b>	<b>n.m.</b>		

# FY 2016 NET DEBT EVOLUTION



USD MILLION



**Net debt/  
EBITDA<sup>2</sup>** 1.4x

1.5x

2.0x

<sup>1</sup> Exceptional items in FY 2016 cash flow consists of USD 795 million related with Uzbekistan settlement, USD 10 million related with legal costs and performance transformation and other costs of USD 287 million

<sup>2</sup> Underlying EBITDA, which in FY 2015 excluded provisions for investigations (related to SEC/DOJ/OM) and other legal costs of USD 927 million, as well as transformation costs of USD 135 million.

In FY 2016, underlying EBITDA excludes exceptional items of USD 341 million as a net effect of transformation costs of USD 245 million, USD 66 million related to Iraqna litigation provision and other costs of USD 22 million.

# 2016 STRUCTURAL IMPROVEMENTS



Closing of Italy transaction



GTH refinancing



Improving cash upstream



Optimization of local debt structures



Global capital allocation model



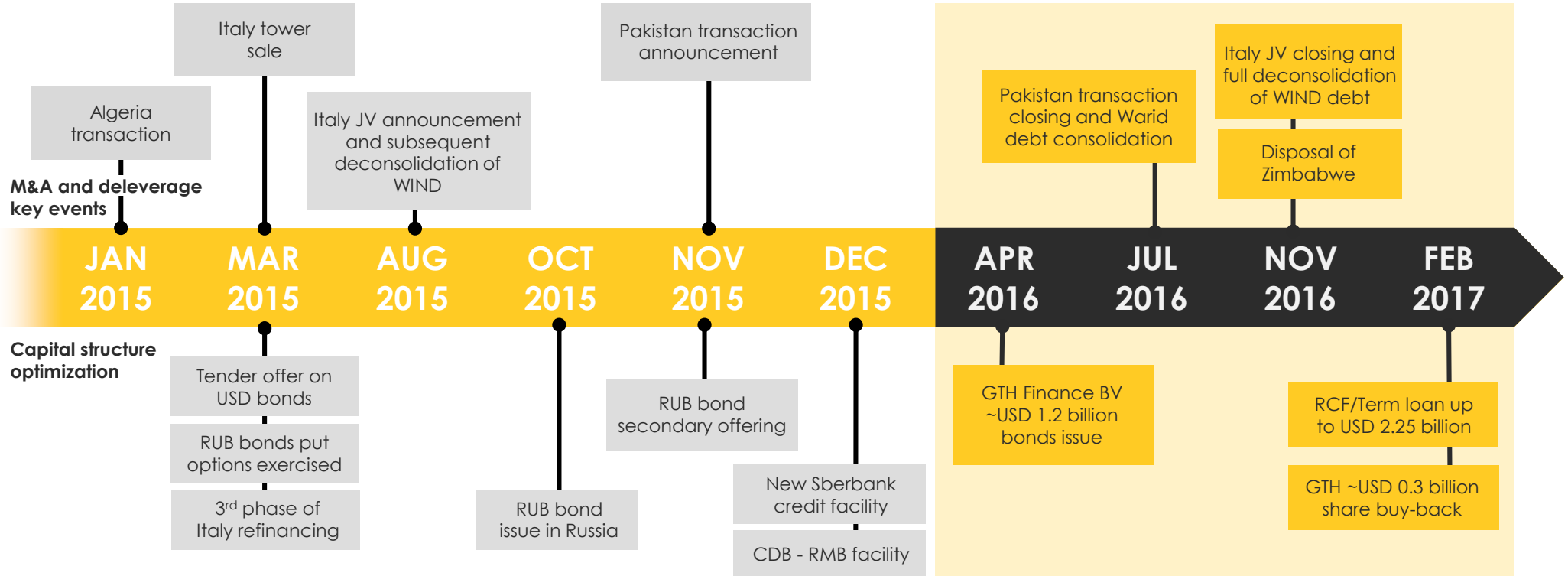
Asset light strategy



Create flexibility for re-investing



# CORPORATE FINANCE TRANSACTIONS



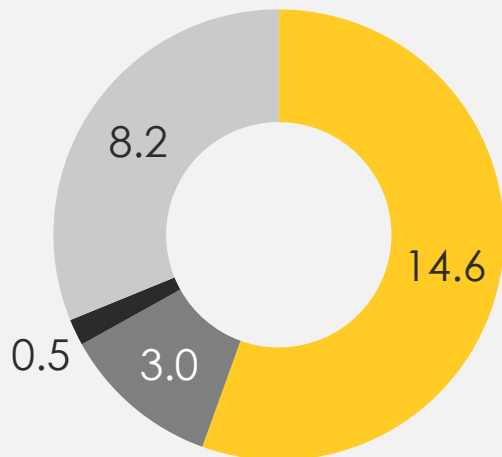
# CAPITAL STRUCTURE IMPROVED



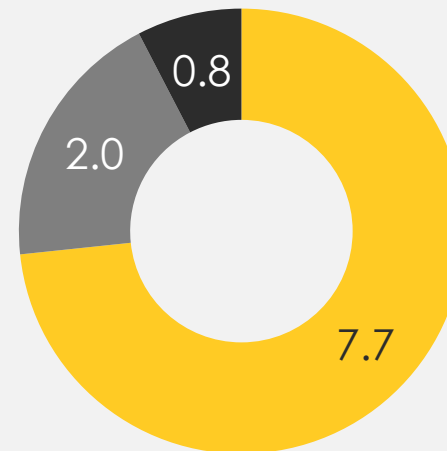
**2014**  
(USD 26.4 billion)

**Group gross debt**  
(currency breakdown and evolution)

**2016**  
(USD 10.5 billion)



Net leverage ratio<sup>1</sup>: 2.5x



Net leverage ratio<sup>1</sup>: 2.0x

**Gross debt and leverage ratio reduced, annual interest savings ~USD 150 million<sup>2</sup>**  
**2016 average interest rate: 7.3%**

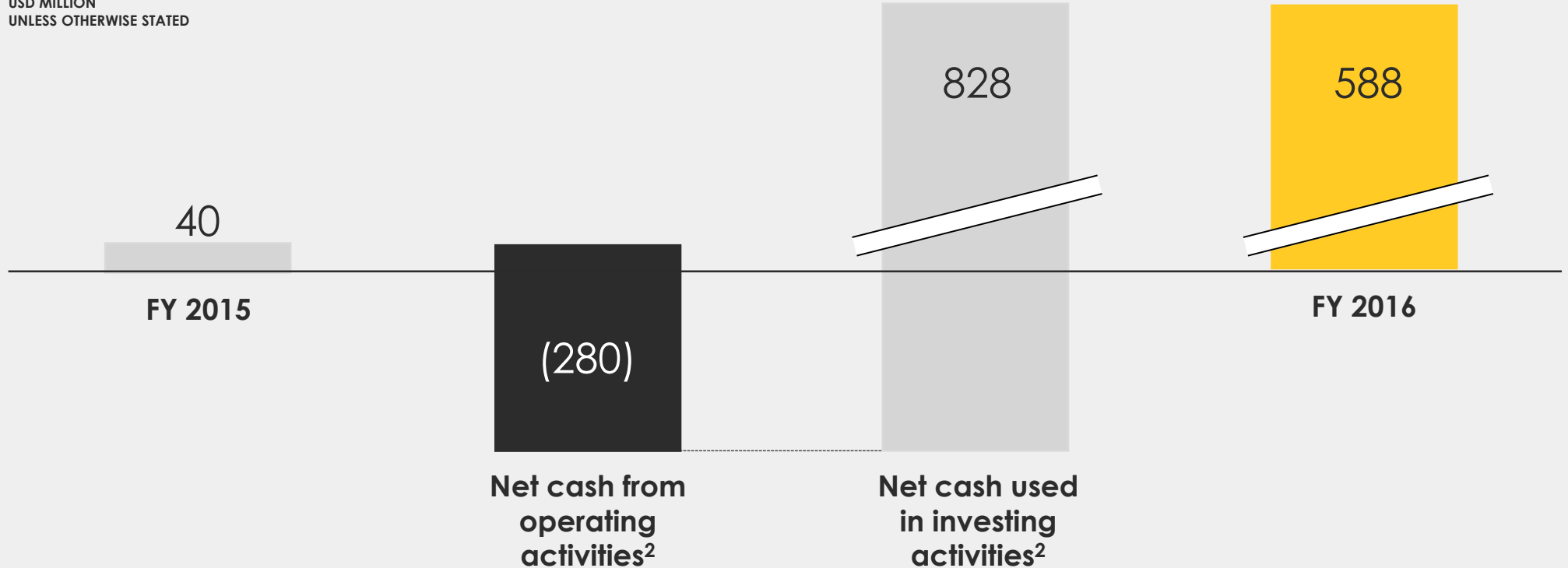
<sup>1</sup> Net leverage ratio: Net debt/EBITDA  
<sup>2</sup> 2016 vs 2014 (excluding Italy), run-rate

# EQUITY FREE CASH FLOW IMPROVEMENT IN 2016



## UNDERLYING EQUITY FREE CASH FLOW<sup>1</sup> EVOLUTION

USD MILLION  
UNLESS OTHERWISE STATED



**...driven by robust capital efficiency improvements**

<sup>1</sup> Underlying equity free cash flow, defined as free cash flow from operating activities less free cash flow used in investing activities; excluding M&A transactions, transformation costs and other one-off items

<sup>2</sup> See appendix for reconciliation table



# FUTURE PRIORITIES AND AMBITIONS

## Further improve:

Debt structure

Tax efficiency

Portfolio and asset light strategy

Equity free cash flow

+

Dual listing in Amsterdam



... to structurally support dividends and broaden the investor base

# DUAL LISTING IN AMSTERDAM

- ▶ Increased free float allows us to launch a second listing<sup>1</sup> on Euronext Amsterdam, broadening the investor base
- ▶ Amsterdam listing will be in Euro-denominated common shares, fully fungible with NASDAQ ADSs
- ▶ Listing will be launched in Q2 2017 with the ticker “VEON”
- ▶ Likely inclusion in new stock indices
- ▶ European stock coverage expected to increase
- ▶ Listing on NASDAQ remains and ticker changes to “VEON”

<sup>1</sup> The company has appointed ING as its financial advisor and listing agent in connection with the planned Euronext Amsterdam listing

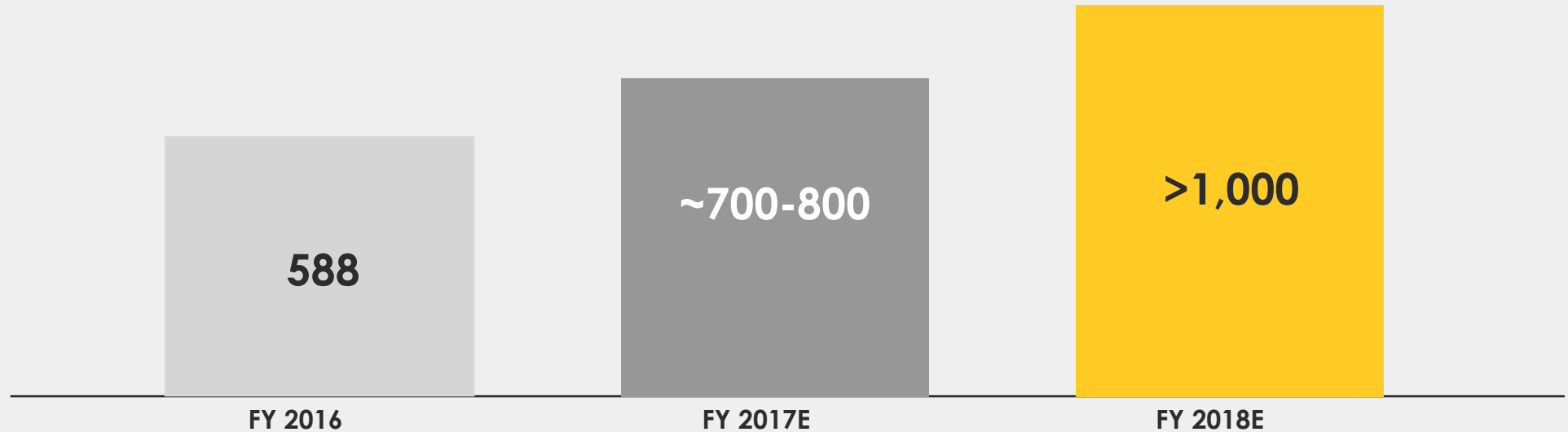


# EQUITY FREE CASH FLOW IMPROVEMENT



## UNDERLYING EQUITY FREE CASH FLOW<sup>1</sup> EVOLUTION

USD MILLION  
UNLESS OTHERWISE STATED



...coupled with further improvements to cash upstreaming

<sup>1</sup> Underlying equity free cash flow is defined as free cash flow from operating activities less free cash flow used in investing activities; excluding M&A transactions, transformation costs and other one-off items

# FY 2017 TARGETS



USD MILLION  
UNLESS OTHERWISE STATED

	<b>FY 2016 actual</b> (incl. Warid for 6 months)	<b>FY 2016 pro-forma</b> (incl. Warid for 12 months)	<b>FY 2017 targets<sup>1</sup></b>
Total revenue	8,885	9,040	Low single digit growth
Underlying EBITDA margin	40.3%	40.0%	Low single digit accretion
Underlying equity free cash flow <sup>2</sup>	588	607	700-800

<sup>1</sup> FY 2017 targets based on pro-forma results for 2016, including 12 months of Warid contribution; organic targets for revenue and underlying EBITDA margin are at constant currency, excluding exceptional items, e.g. transformation costs and M&A. Equity free cash flow is calculated at the target rates for 2017 (see Appendix)

<sup>2</sup> Underlying equity free cash flow is defined as free cash flow from operating activities less free cash flow used in investing activities; excluding M&A transactions, transformation costs and other one-off items. Underlying equity free cash flow target is calculated on the basis of the target rates disclosed in the appendix



# NEW DIVIDEND POLICY ON BACK OF ROBUST RESULTS & OUTLOOK

**For the financial year ended 31 December 2016, the Company intends to pay a dividend in the aggregate amount of USD 23 cents per share comprised of USD 3.5 cents per share paid as an interim dividend in December 2016 and USD 19.5 cents per share as a final dividend to be paid in April 2017<sup>1</sup>**



**Thereafter, VimpelCom is committed to paying a sustainable and progressive dividend based on the evolution of the Company's equity free cash flow<sup>2</sup>**

<sup>1</sup> The record date for the Company's shareholders entitled to receive the final dividend payment has been set as 30 March 2017

<sup>2</sup> Equity free cash flow is defined as free cash flow from operating activities less free cash flow used in investing activities

# VEON

**Christopher Schläeffer**  
Chief Digital Officer



# INDUSTRY EVOLUTION



# MOVING BEYOND THE APP ECONOMY



2007

A revolutionary  
phone



2008

A dominating  
operating system



Now

Emerging  
ecosystems



# A NEW INTERNET PLATFORM



PERSONAL

FREE

SECURE

OPEN

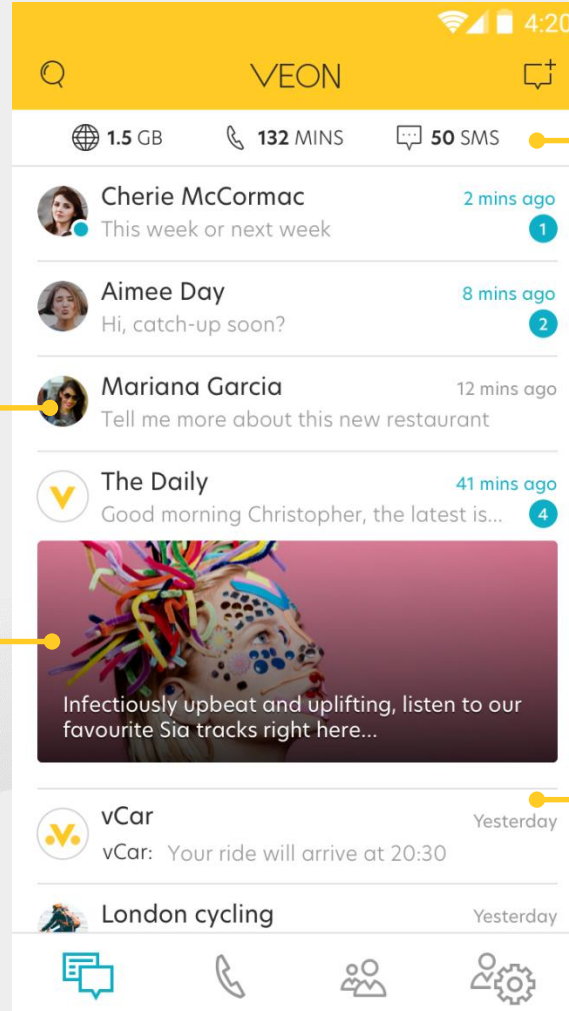
CONTEXTUAL

# VEON

**All you need in one place**

Totally free Messaging –  
with chat and voice calling

News, music and video  
entertainment –  
personalized for you



A single account –  
and you stay in control

Everything the internet has to  
offer - from a given context

**Beautifully delivered –  
in the “VEON Stream”**

FREE.

EVEN WHEN YOU

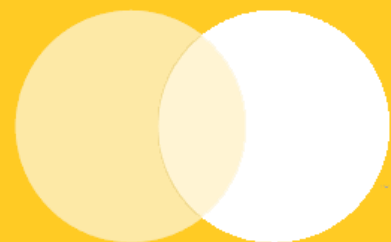
ARE OUT OF CREDIT.

SECURE.

PUTTING THE USER

IN CONTROL.





mastercard.

GLOBAL PARTNERSHIP

CONTEXTUAL.

WHAT YOU NEED.

WHEN YOU NEED IT.

vivendi

GLOBAL PARTNERSHIP FOR STUDIO+



GLOBAL PARTNERSHIP

OPEN.  
EVERYTHING  
THE INTERNET  
HAS TO OFFER.

# ECONOMICS

## CUSTOMER ENGAGEMENT

MONTHLY ACTIVE USERS  
(MAU)

## IMPACT ON CORE BUSINESS

DIGITAL GROSS ADDS



SUBSCRIBER ACQUISITION COST



DIGITAL TOP-UPS



CUSTOMER CARE CALLS



CHURN



SUBSCRIBER MARKET SHARE



## NEW REVENUE MODEL

VALUE SHARING WITH PARTNERS

ITALY

> 1 million  
Downloads





VEON

BE TRULY FREE

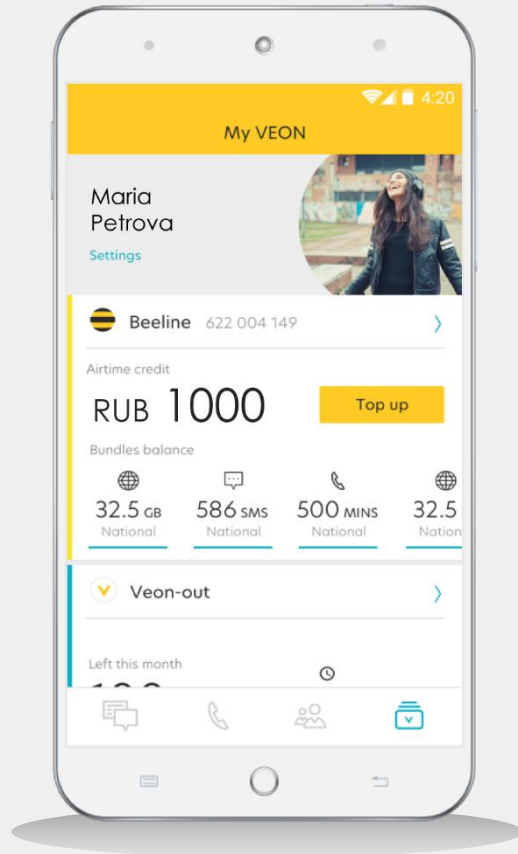


# TECHNOLOGY LEADERSHIP

**Yogesh Malik**  
Chief Technology Officer



# MYTH: TELCOS CANNOT COMPETE WITH OTTS



- ▶ Tangible features thanks to **deep integration with core network** (Voip Override, SMS in/out, etc.)
- ▶ **Real-time data continuously enriched** fueling relevant customer offerings & marketplace

## DEVICE

- ▶ Device IMEI
- ▶ Device Brand
- ▶ SIM IMSI
- ▶ SIM characteristics
- ▶ BAN No.
- ▶ Sub No.
- ▶ Customer BAN
- ▶ Time stamp

## ACCOUNT

- ▶ Account type
- ▶ Account code BAN status
- ▶ Sub status
- ▶ Account category
- ▶ Stop list
- ▶ Fraud list indicator
- ▶ Time stamp

## USER DEMOGRAPHIC

- ▶ Time stamp
- ▶ Start Service Date
- ▶ Address
- ▶ Gender
- ▶ Age
- ▶ Income
- ▶ Education level
- ▶ Marital status
- ▶ Acquisition source data
- ▶ Market name
- ▶ Market code
- ▶ Region
- ▶ ARPU
- ▶ ARPU cluster
- ▶ Internal / External segmentation

## SERVICE USAGE

- ▶ Time stamp
- ▶ Allowed services
- ▶ Services activated
- ▶ SOC
- ▶ SOC effective date
- ▶ Service package expiration date
- ▶ Service class
- ▶ Service status
- ▶ Service description
- ▶ Bundle details
- ▶ Additional features
- ▶ Channel
- ▶ Promo
- ▶ Promo expiration

## CUSTOMER SERVICE

- ▶ Customer appeals
- ▶ Contact timings & durations
- ▶ Services requested
- ▶ Customer satisfaction

## CORE MOBILE SERVICES

- ▶ Recipient IMSI
- ▶ Time stamp begin
- ▶ Time stamp end
- ▶ Voice usage fields
- ▶ Record sequence number
- ▶ Call location data
- ▶ Caller location
- ▶ Caller VLR location
- ▶ Recipient visitor loc
- ▶ Recipient VLR loc
- ▶ Type of call
- ▶ Call status
- ▶ Fault condition encountered
- ▶ Record sequence #
- ▶ Time stamp SMS
- ▶ SMS location data
- ▶ Sender visitor loc
- ▶ Recipient visitor loc
- ▶ Type of SMS
- ▶ SMS status
- ▶ Photo attachment
- ▶ Length of message
- ▶ Message content
- ▶ Fault condition encountered
- ▶ VAS registered
- ▶ VAS downloaded
- ▶ Is VAS an app
- ▶ Search ID
- ▶ Web session URL
- ▶ Browser name
- ▶ Visitor location
- ▶ Action button
- ▶ Browser name
- ▶ App name

## BILLING

- ▶ Charge code
- ▶ Record sequence #
- ▶ Transaction cost
- ▶ VAS vs. Core
- ▶ Charge amount
- ▶ Sales tax/VAT
- ▶ Currency
- ▶ Sub-balance
- ▶ Begin balance
- ▶ Remaining balance
- ▶ Recurring or 1-time
- ▶ Balance
- ▶ Prepaid or postpaid
- ▶ Monthly charge for postpaid
- ▶ Overplan charges
- ▶ Time stamp
- ▶ Billing status
- ▶ Amount paid
- ▶ Payment source
- ▶ Visitor location

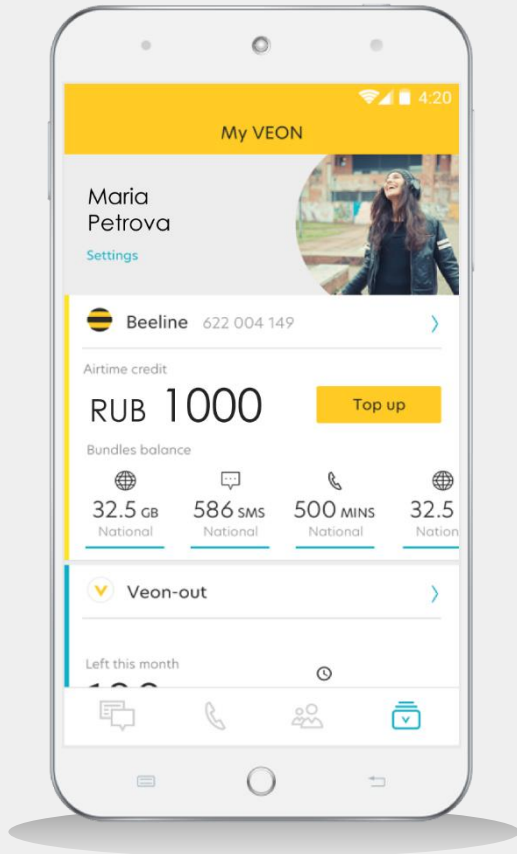
## MOBILE FINANCIAL SERVICES

- ▶ Mobile purchases data
- ▶ Bank transactions data
- ▶ Cash in/out transactions
- ▶ P2P transactions
- ▶ Credit/Loan products usage data

## ACCOUNT MGMT

- ▶ Time stamp
- ▶ Website login & reg performed
- ▶ Action
- ▶ Web Search ID
- ▶ Web session URL
- ▶ Impression
- ▶ Close window
- ▶ Browser name
- ▶ IVR data
- ▶ Position in queue
- ▶ IVR path steps

# MYTH: TELCOS CANNOT COMPETE WITH OTTS



- ▶ Tangible features thanks to **deep integration with core network** (Voip Override, SMS in/out, etc.)
- ▶ **Real-time data continuously enriched** fueling relevant customer offerings & marketplace
- ▶ **Strong presence** and distribution networks

# TELCO TO TECH CHALLENGES

- ▶ Siloed, non data-centric architecture
- ▶ No software expertise
- ▶ System integrator dependent



## Our Vision

**Micro-services based architecture**  
**Developing software skills**  
**Full control over front end using  
open source**

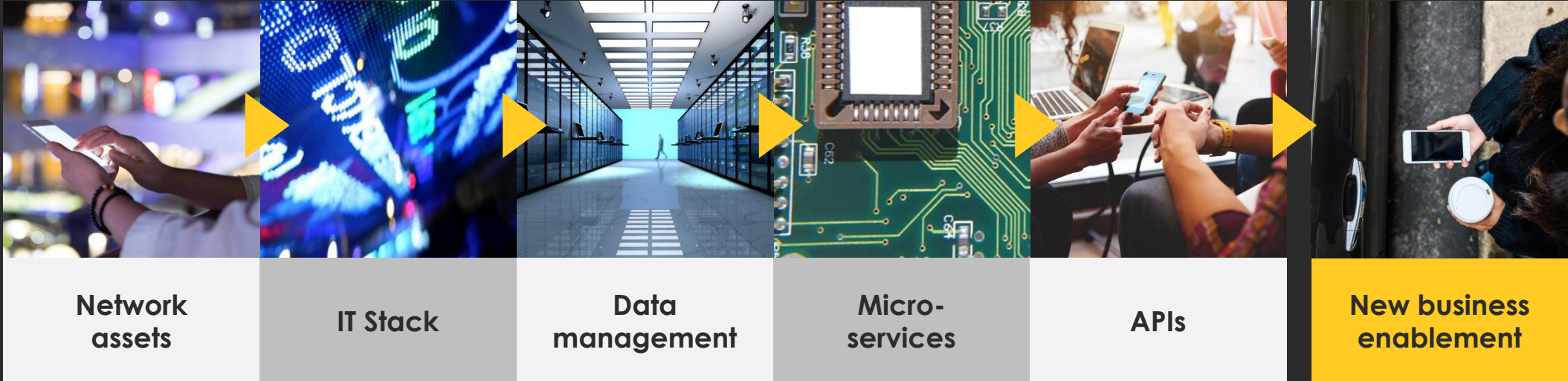


## Our Vision

- Micro-services based architecture
- Developing software skills
- Full control over front end using open source



# BUILDING FUTURE SOFTWARE-DEFINED PRODUCTS

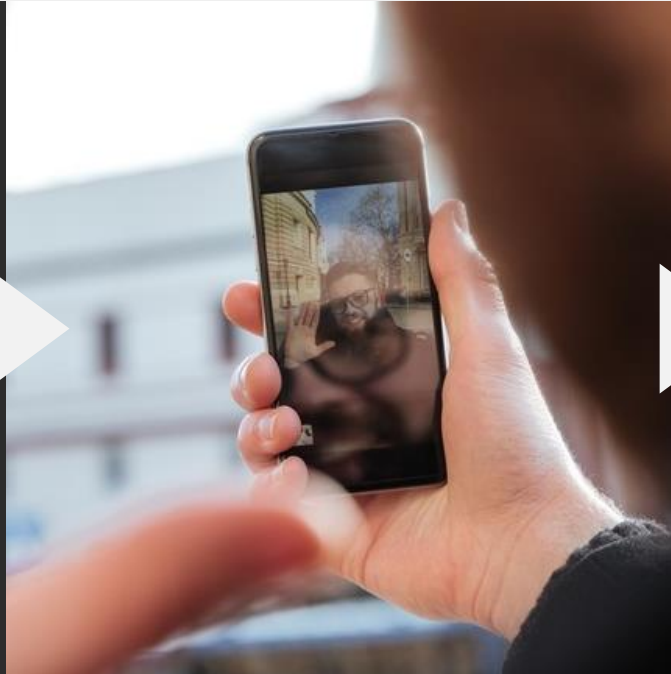


# UPLIFTING OUR NETWORKS AT FAST PACE



## TRADITIONAL TELCO NETWORKS

- ▶ Hardware and software locked together
- ▶ Very hard to scale or pool
- ▶ Sharing is still nascent



## FUTURE TELCO NETWORKS

- ▶ Software defined, intelligent
- ▶ Dynamic scaling and pooling
- ▶ Modernizations and sharing

# MILESTONES ACHIEVED – AT RECORD PACE

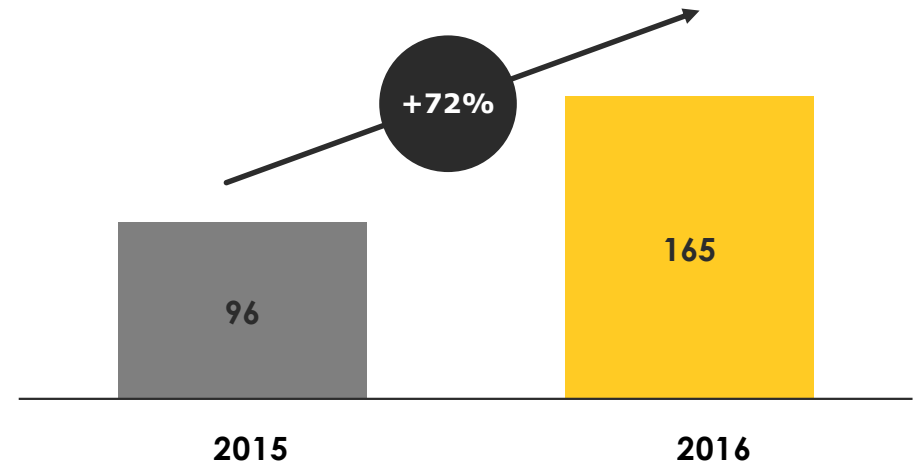
## Countries where 4G/LTE was launched in 2016



## Network Sharing and Consolidation



## 4G/LTE population coverage in our footprint Million people, change in %



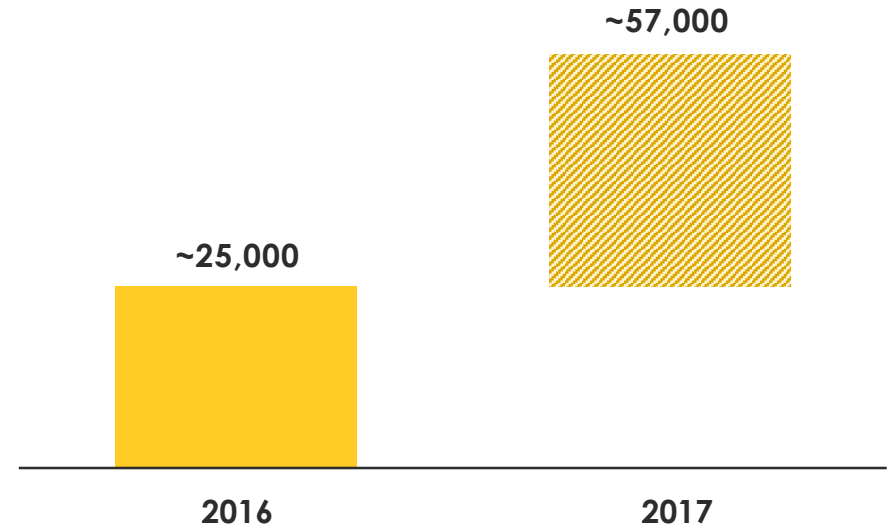
# MODERNIZING MAJORITY OF SITES BY THE END OF 2017

## Ukraine example



- ▶ Full country swap in record time with 4G/LTE readiness
- ▶ Significant leadership to competitors in NPS
- ▶ 60% of urban sites have fibre connectivity

## Number of sites swapped / modernized in 2016 and 2017



# VIRTUALIZING OUR NETWORKS ALL ACROSS

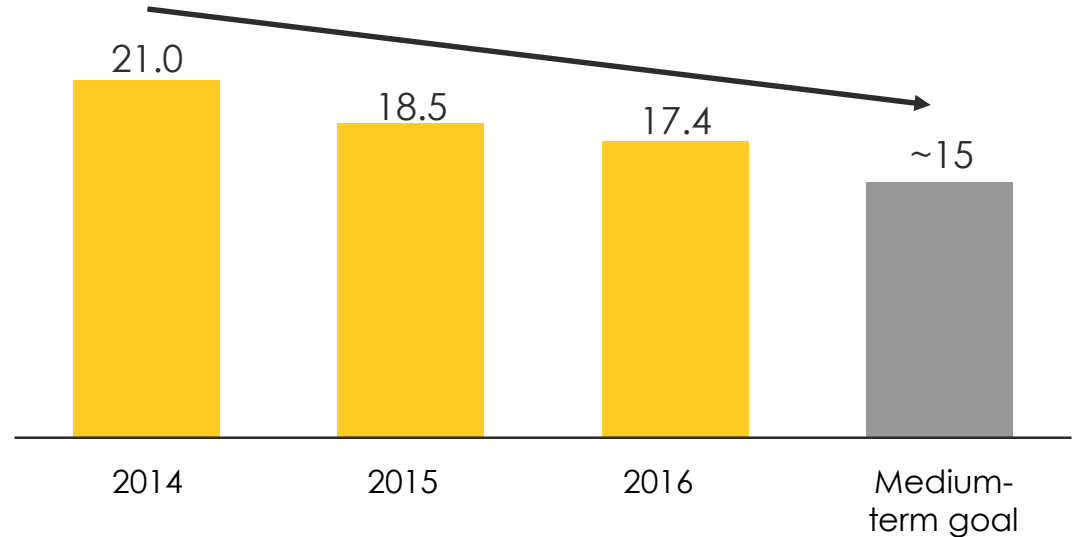
- ▶ Implemented vEPC covering five Eurasian countries
- ▶ Adopting a comprehensive network function virtualization strategy
- ▶ Introducing virtual HLR in Bangladesh



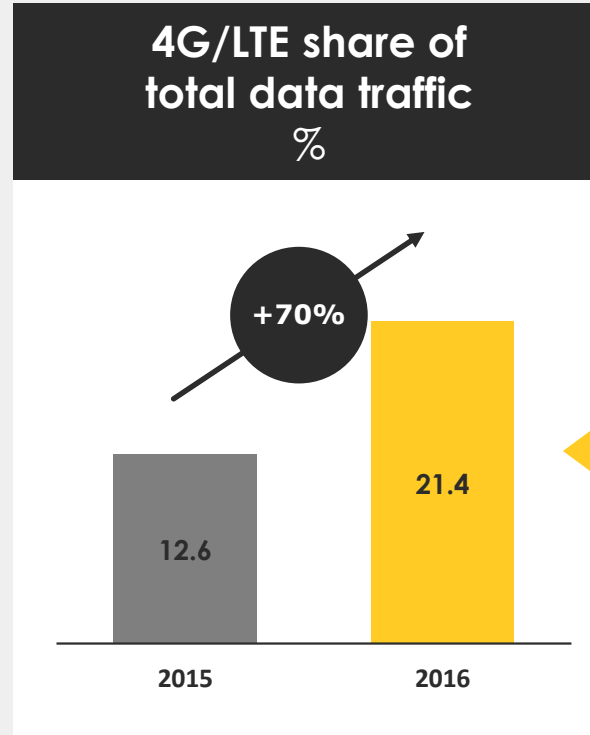
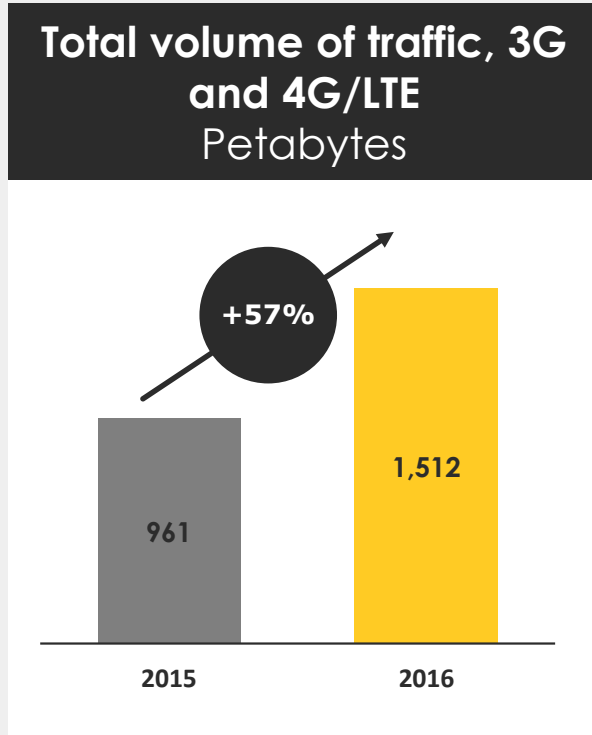
# OUR EXPERIENCE: MUCH MORE CAN BE DONE WITH LESS RESOURCES

- ▶ Modernization at pace
- ▶ Group-wide prioritization
- ▶ Focus on quality of service

CAPEX TO REVENUE RATIO, (%)



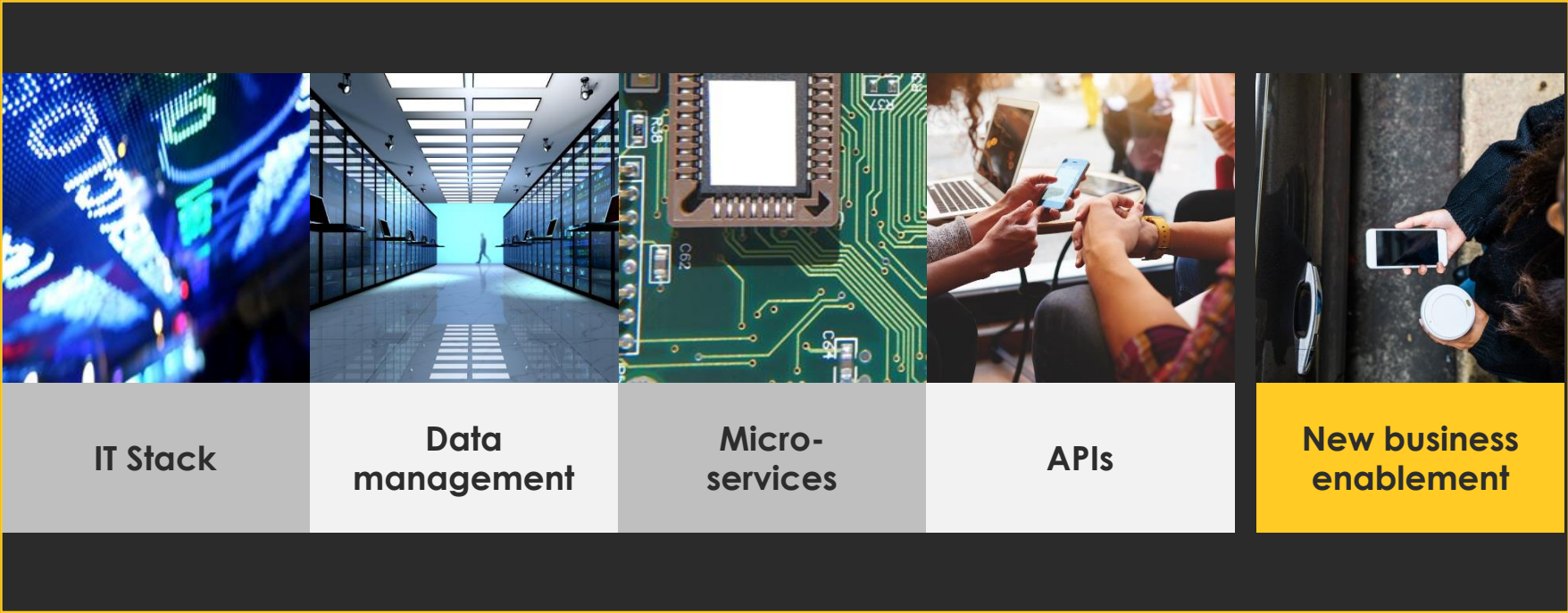
# KEEPING WORLD-CLASS NETWORK QUALITY



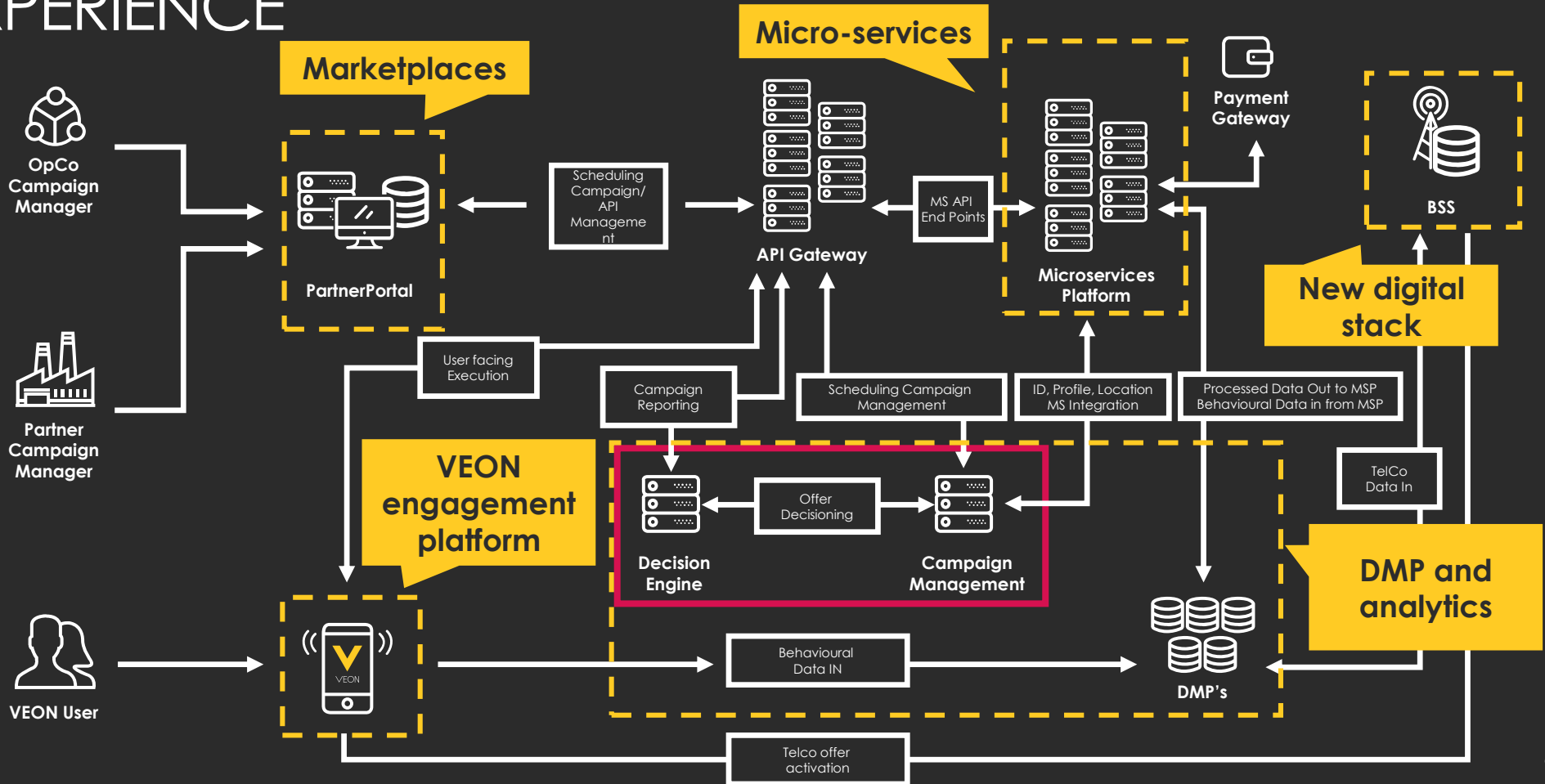
**#1 in six countries for network throughput**



# BUILDING FUTURE SOFTWARE-DEFINED PRODUCTS



# BRINGING IT ALL TOGETHER FOR A UNIQUE USER EXPERIENCE



# 2016: A VISION BECAME REALITY



**VEON**  
launched



**Mobile Financial  
Services platform**  
launched



**Data Management  
Platform** launched



**Software  
Development  
center** opened



**Digital Stack  
overhaul** started

BREAK





# PERFORMANCE TRANSFORMATION

**Alexander Matuschka**  
Chief Performance Officer





# PERFORMANCE TRANSFORMATION



**RESUME MEANINGFUL DIVIDEND POLICY**

# IMPROVING CASH FLOW



## OPEX

Optimize legacy cost base



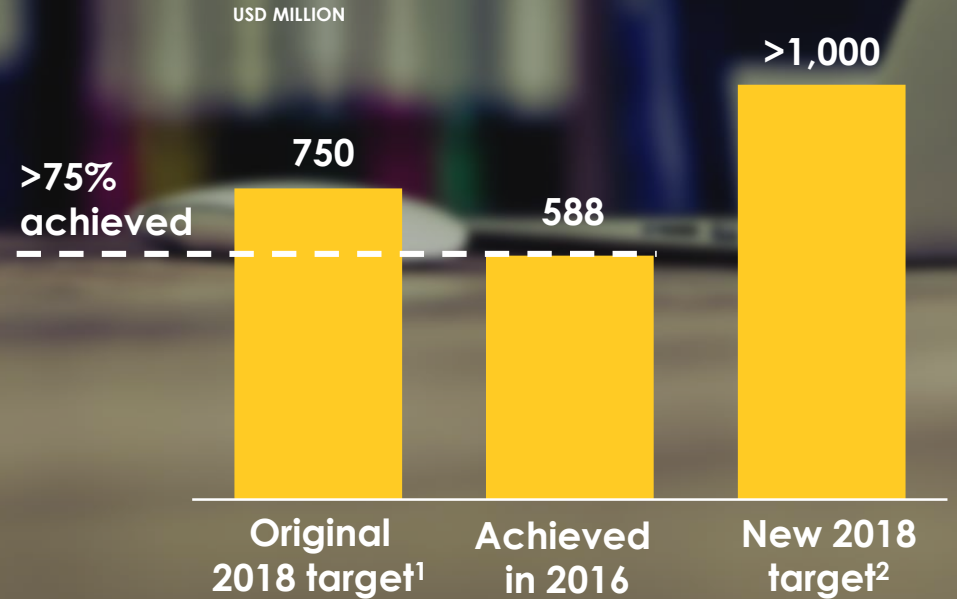
## CAPEX

Scale volumes through standardization across our footprint



## WORKING CAPITAL

Inventory management  
Payment days



<sup>1</sup>. Original medium term cash flow target

<sup>2</sup>. New target based on equity free cash flow

# GLOBAL OPERATING MODEL



**CONSOLIDATION**



**STANDARDIZATION**



**DIGITIZATION**



**HUBS**

**SHARED  
SERVICE  
CENTERS**

**CONTACT  
CENTERS**

**MANAGED  
SERVICES**



# DESIGNING PRINCIPLES



STRINGENT GOVERNANCE



LINK TO PROFIT & LOSS



ONE PROJECT MANAGEMENT



CAPABILITIES INTERNALIZED



**80**  
INITIATIVES

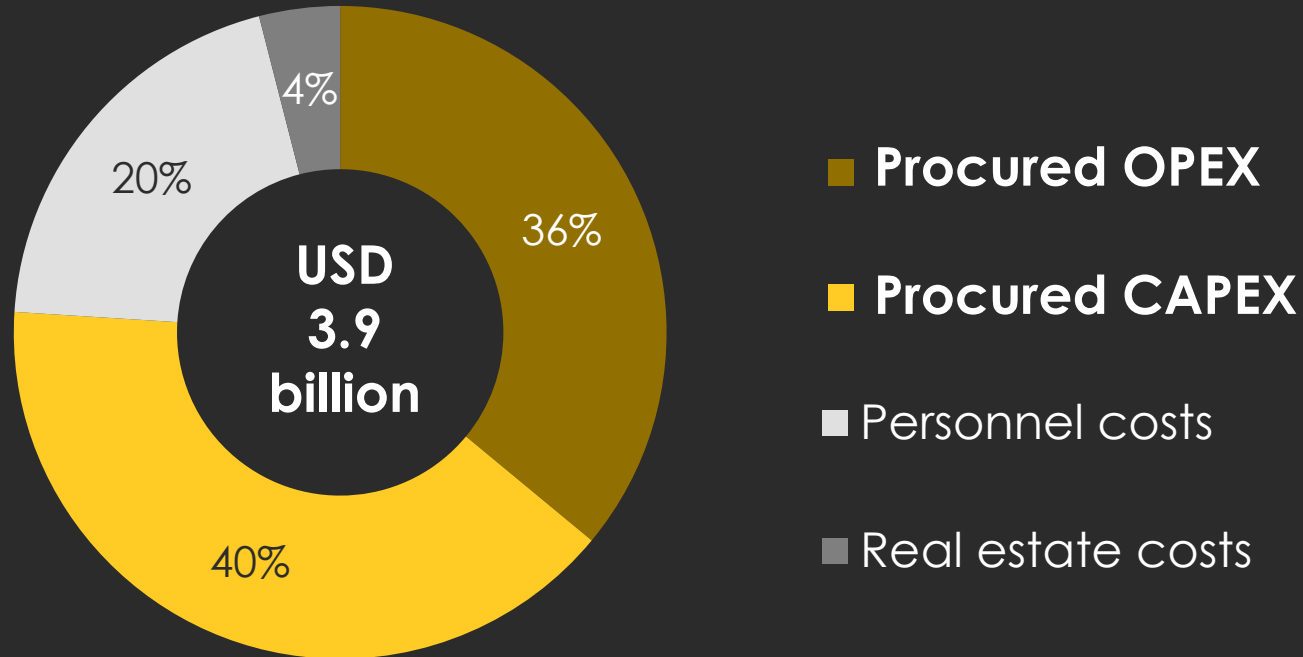
**400**  
ACTION OWNERS

**USD 402 million**  
OPEX SAVINGS IN 2016

**USD 503 million**  
RUN RATE SAVINGS

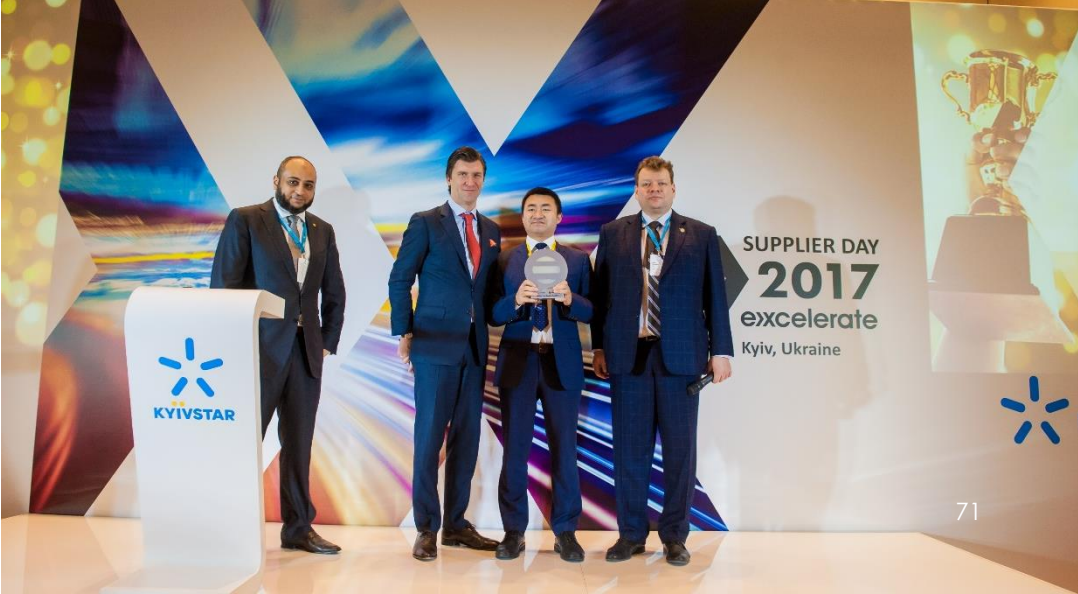
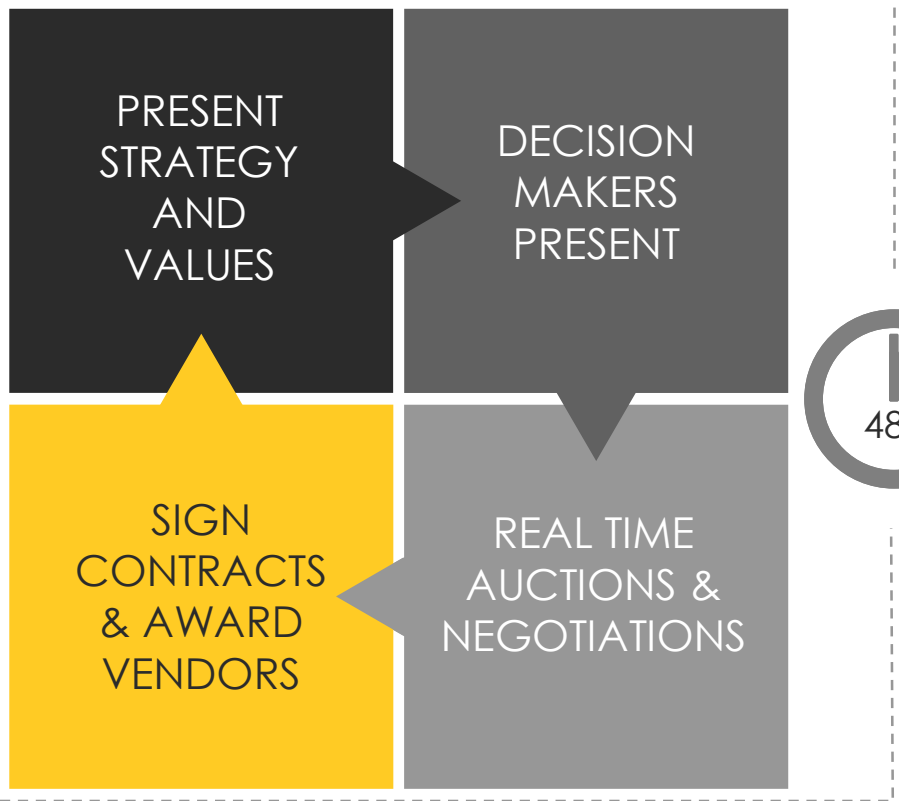
# COST OPTIMIZATION: PROCURED VOLUME

## 2016 TOTAL CAPEX AND STRUCTURAL OPEX



Structural opex is total opex less service costs, costs of equipment and accessories, commercial costs and litigation costs  
Total capex excludes licenses  
Real estate costs include only costs for administrative sites

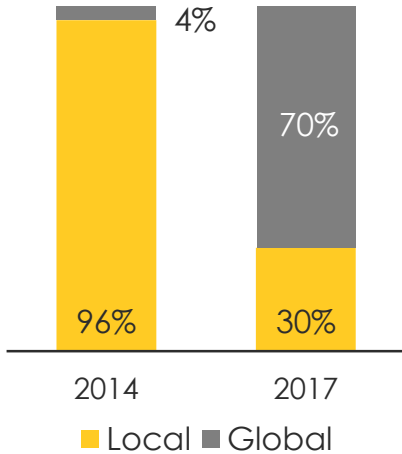
# VENDOR DAY METHODOLOGY: GUIDING PRINCIPLES



# GLOBAL VENDOR DAYS

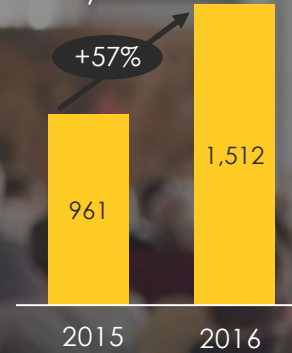


## PROCUREMENT SPEND

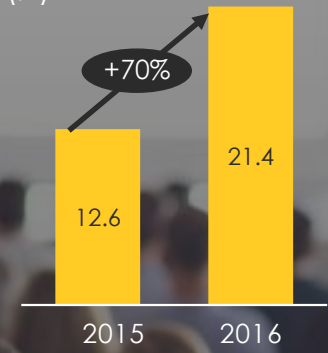


- 
**STANDARDIZE AND ELIMINATE VARIANCES**
- 
**SCALE VOLUME**
- 
**FOSTER COLLABORATIVE BEHAVIOR**
- 
**DE-RISK**

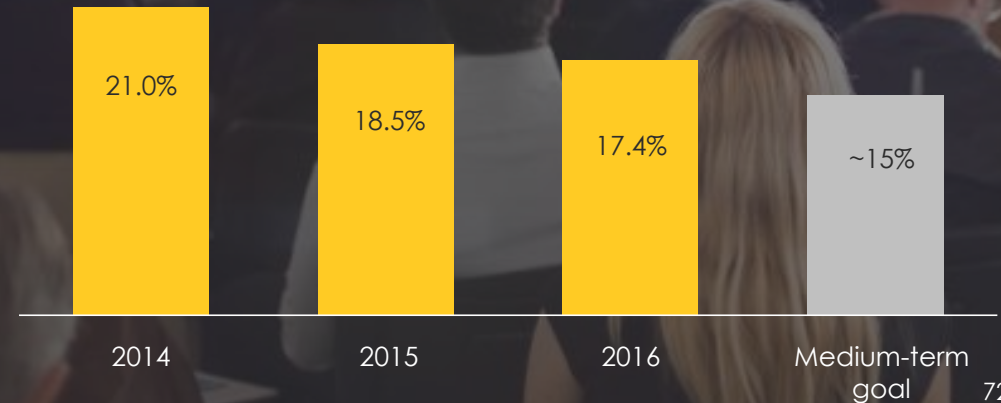
## TOTAL VOLUME OF TRAFFIC, 3G AND 4G/LTE Petabytes



## SHARE OF 4G/LTE AMONG TOTAL DATA TRAFFIC (%)

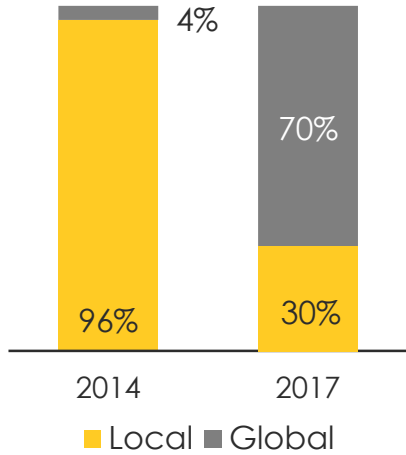


## CONSISTENTLY REDUCING CAPEX CAPEX / REVENUE (%)



# LOCAL VENDOR DAYS

## PROCUREMENT SPEND



-  **BE LOCAL TO BE GLOBAL**
-  **SHARE GROUP VISION AND VALUES**
-  **FOCUS ON OPEX OPTIMIZATION**
-  **PARTNER WITH LOCAL VENDORS**



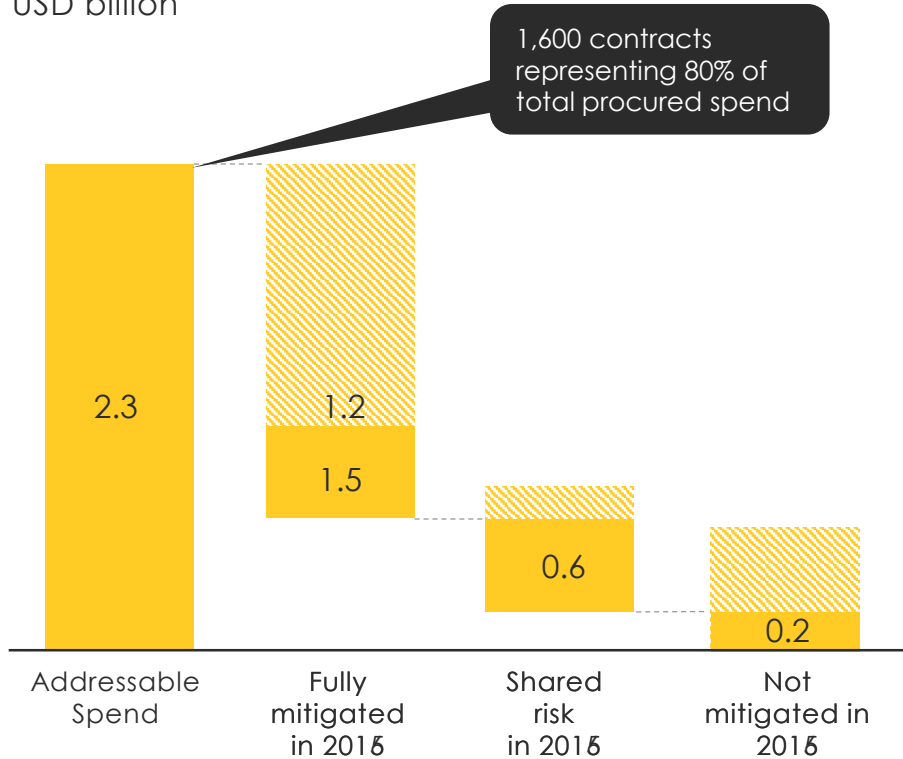
				
<b>Bangladesh</b>	<b>Pakistan</b>	<b>Algeria</b>	<b>Russia</b>	<b>Armenia</b>
 <b>-52%</b>	 <b>-24%</b>	 <b>-33%</b>	 <b>-19%</b>	 <b>-9%</b>
				
<b>Kazakhstan</b>	<b>Ukraine</b>	<b>Georgia</b>	<b>Kyrgyzstan</b>	<b>Uzbekistan</b>
 <b>-8%</b>	 <b>-19%</b>	<b>9 Mar 2017</b>	<b>14 Mar 2017</b>	<b>15 Mar 2017</b>



# DE-RISKING FOREX MITIGATION

## AMOUNT OF TOTAL SPEND

USD billion



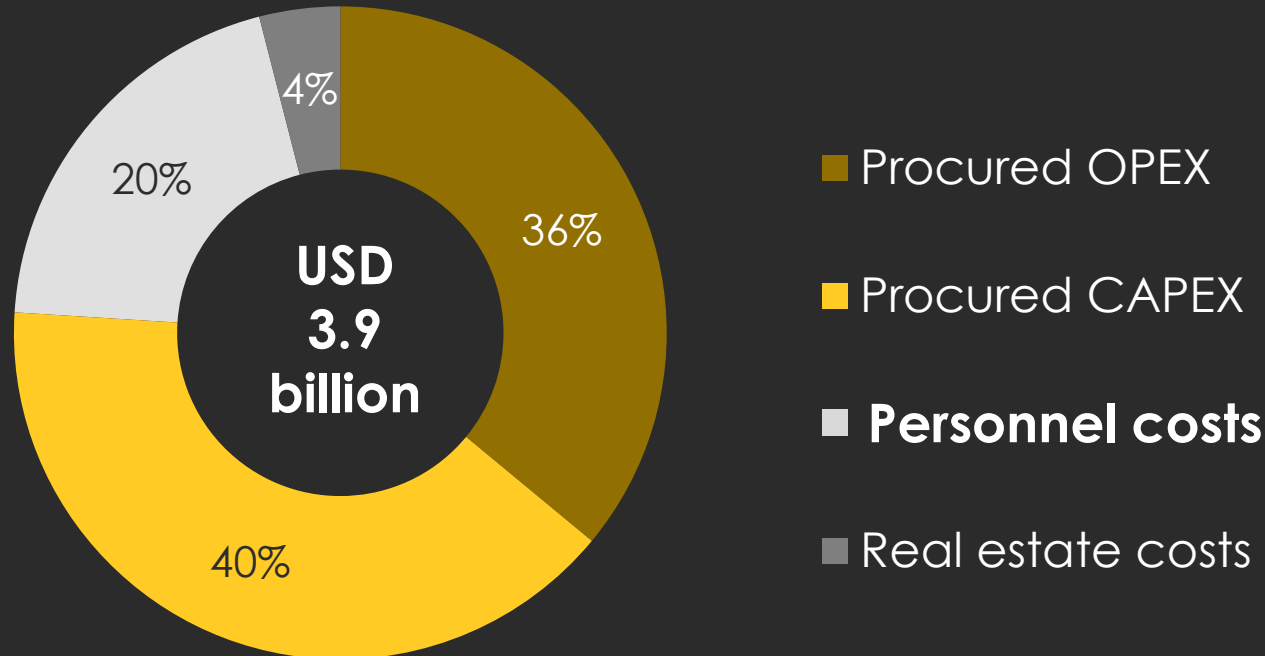
RISK SHARED WITH VENDORS

FULLY MITIGATED IMPROVEMENT OF  
**65%**

NON MITIGATED REDUCTION OF  
**78%**

# COST OPTIMIZATION: PERSONNEL COSTS

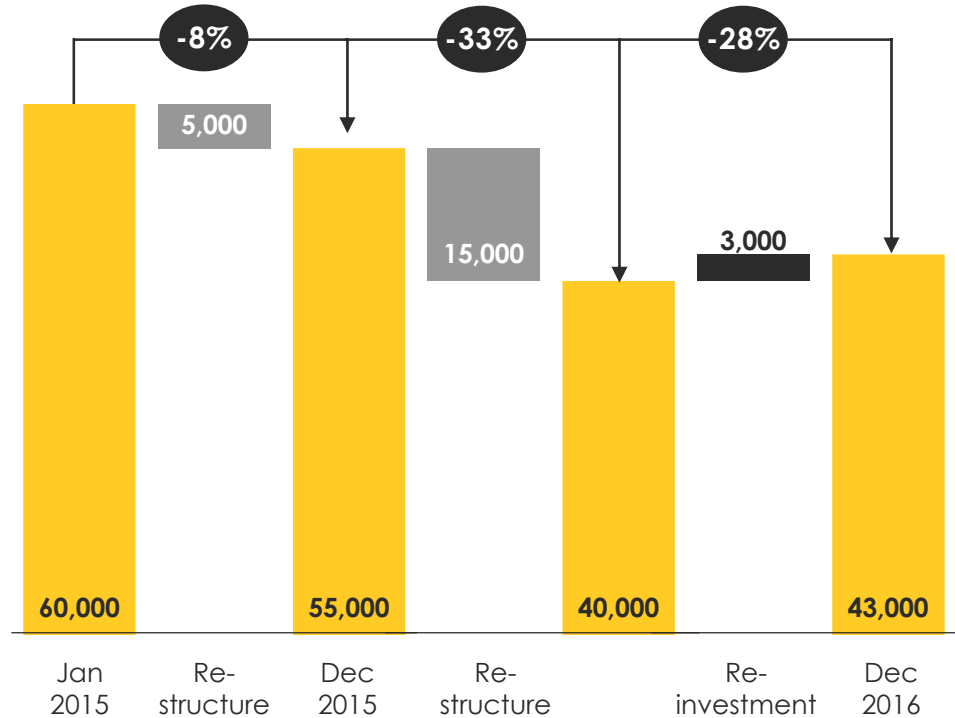
## 2016 TOTAL CAPEX AND STRUCTURAL OPEX



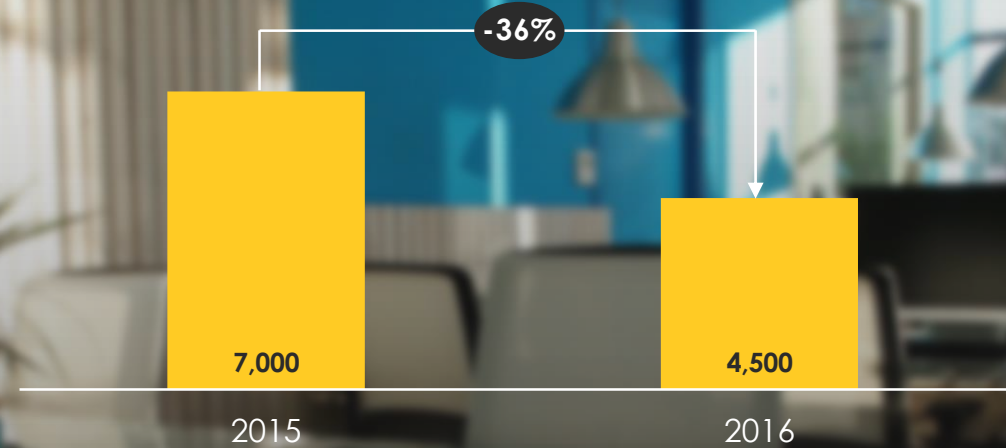
Structural opex is total opex less service costs, costs of equipment and accessories, commercial costs and litigation costs  
Total capex excludes licenses  
Real estate costs include only costs for administrative sites

# STRUCTURAL SHIFT FROM TELCO TO TECH: HEADCOUNT

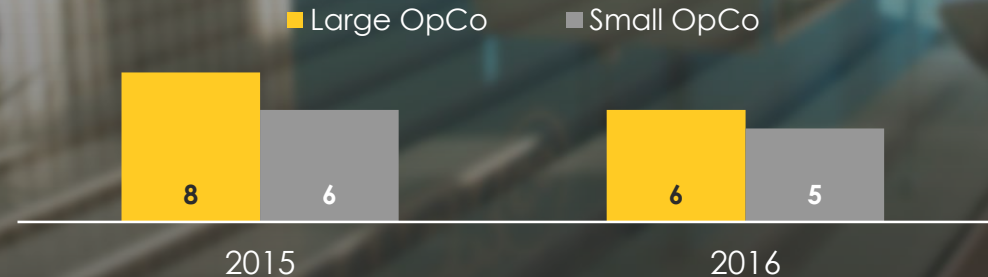
## HEADCOUNT



## LINE MANAGERS



## ORG. STRUCTURE LAYERS

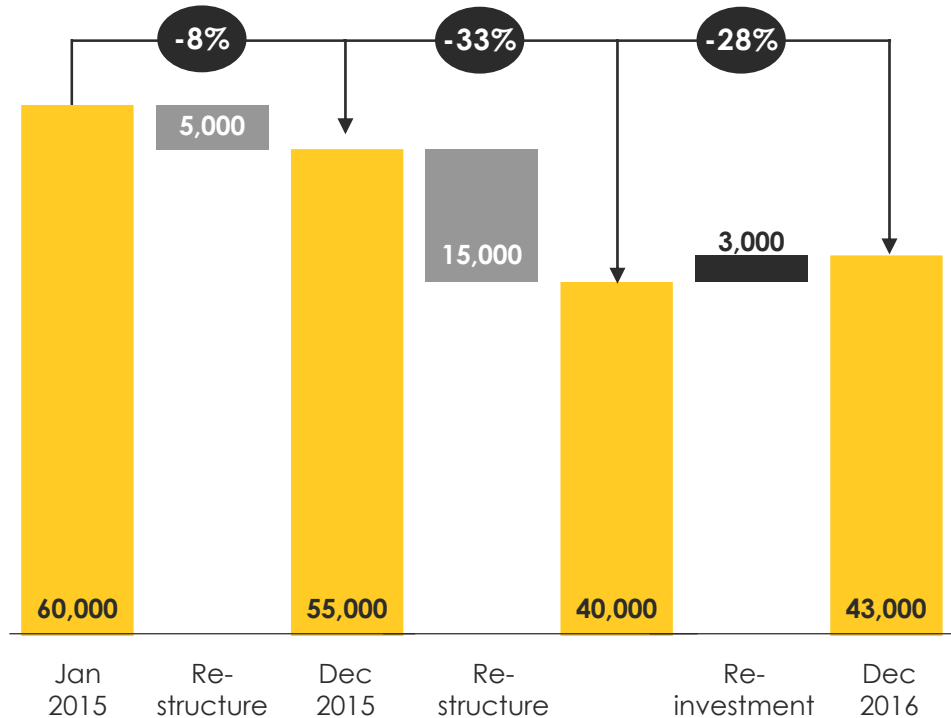


Headcount includes both employees and temporary external labor; in the Form 20-F figures refer only to employees.

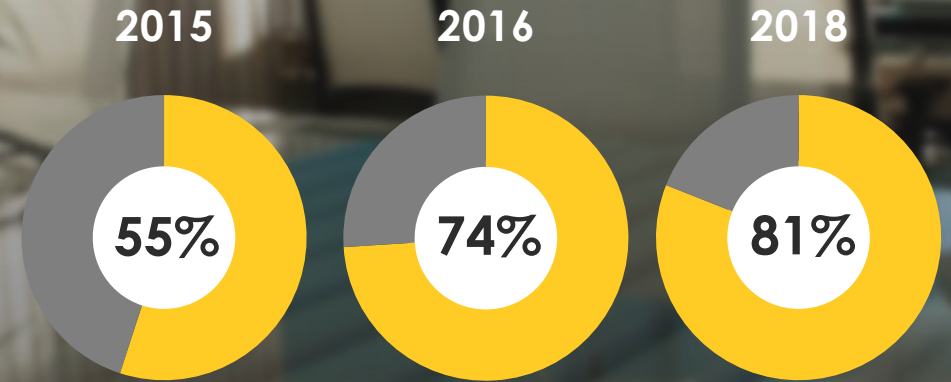


# STRUCTURAL SHIFT FROM TELCO TO TECH: HEADCOUNT

## HEADCOUNT



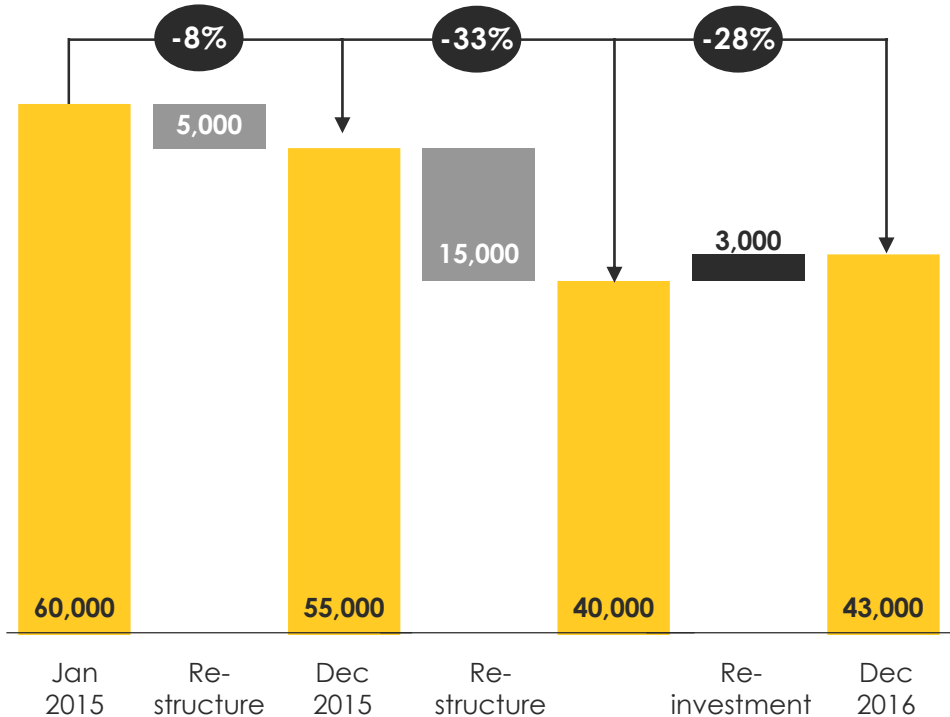
## HEADCOUNT ADMINISTRATIVE vs NON-ADMINISTRATIVE (in %)



Headcount includes both employees and temporary external labor; in the Form 20-F figures refer only to employees.

# STRUCTURAL SHIFT FROM TELCO TO TECH: HEADCOUNT

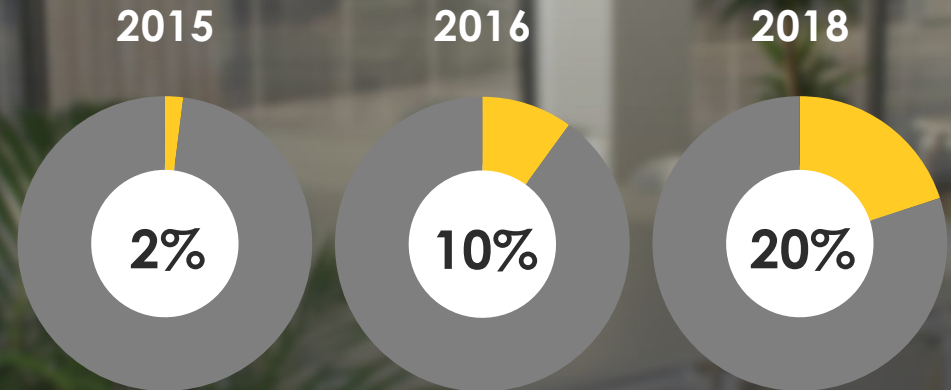
## HEADCOUNT



Headcount includes both employees and temporary external labor; in the Form 20-F figures refer only to employees.



## HEADCOUNT GSS & HUBS & COE vs ADMINISTRATIVE (in %)

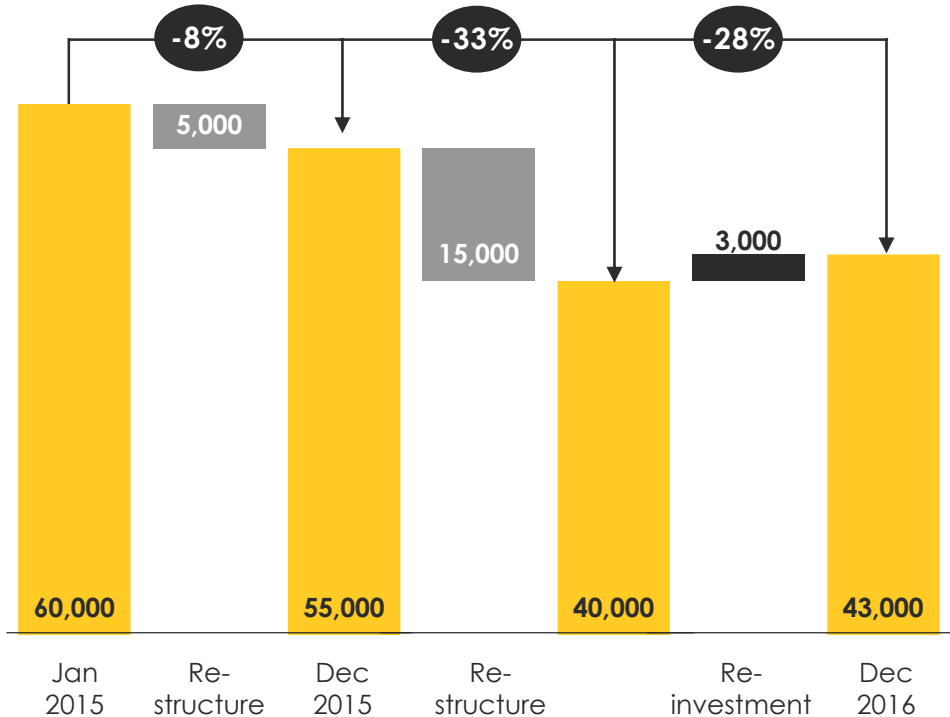


GSS refers to Global Shared Services  
COE refers to Centre of Excellence

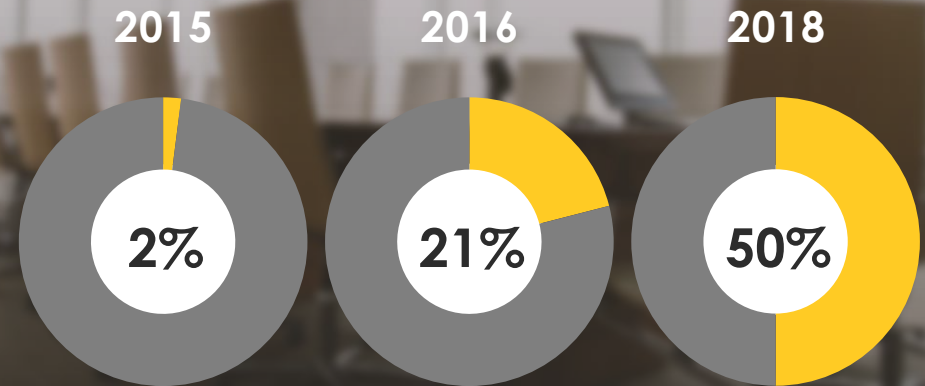
# STRUCTURAL SHIFT FROM TELCO TO TECH: HEADCOUNT



## HEADCOUNT



## HEADCOUNT HQ DIGITAL vs HQ TOTAL (in %)

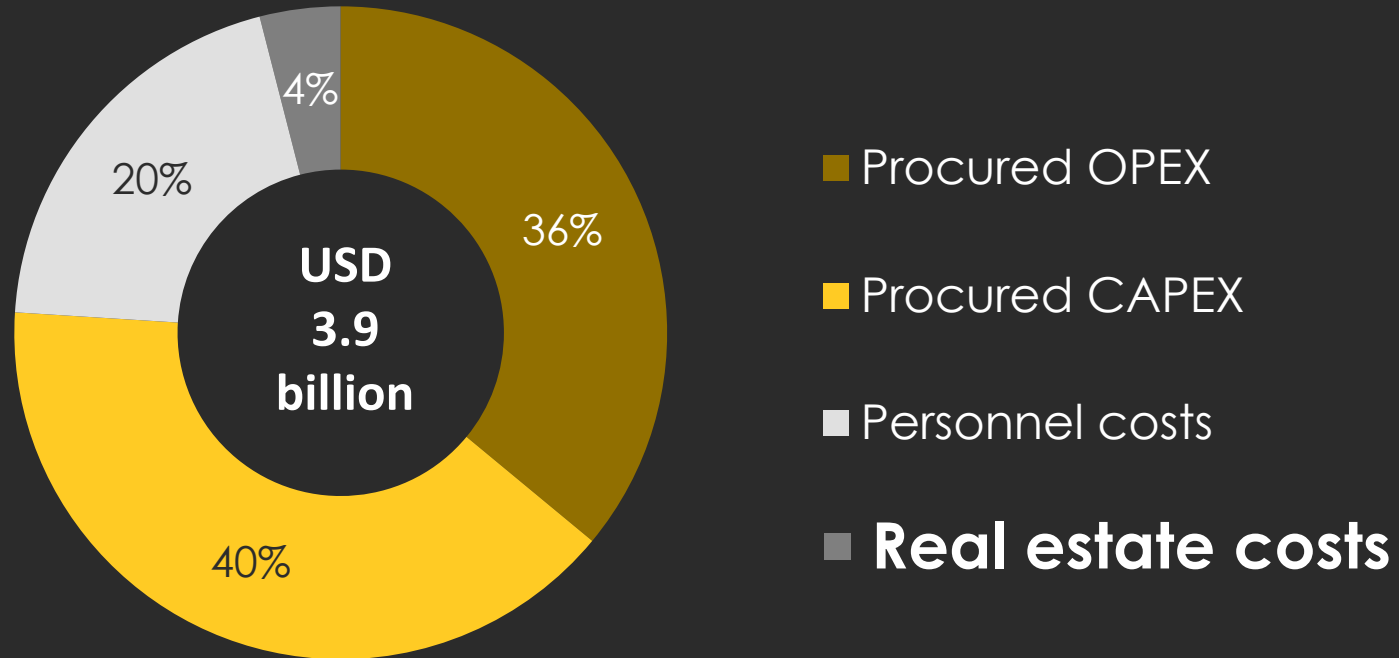


Headcount includes both employees and temporary external labor; in the Form 20-F figures refer only to employees.

HQ refer to headquarters

# COST OPTIMIZATION: REAL ESTATE COSTS

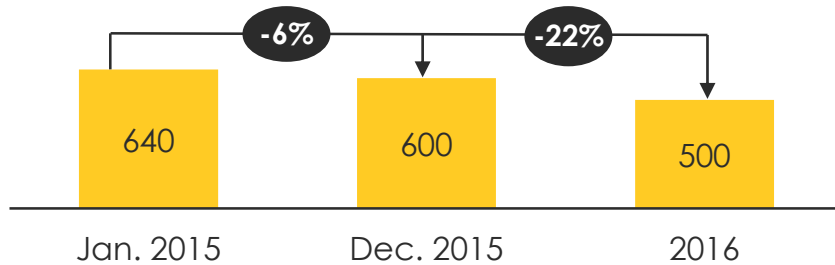
## 2016 TOTAL CAPEX AND STRUCTURAL OPEX



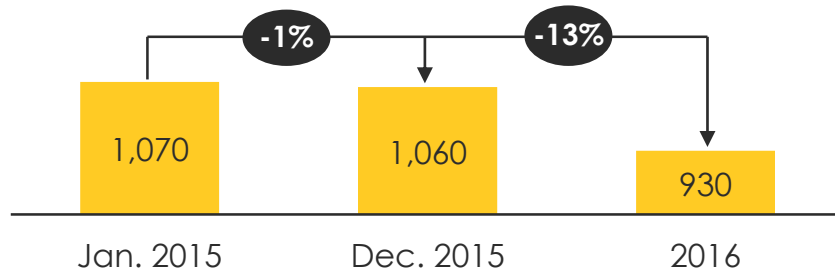
Structural opex is total opex less service costs, costs of equipment and accessories, commercial costs and litigation costs  
Total capex excludes licenses  
Real estate costs include only costs for administrative sites

# VISUALIZATION OF THE CULTURAL CHANGE: REAL ESTATE

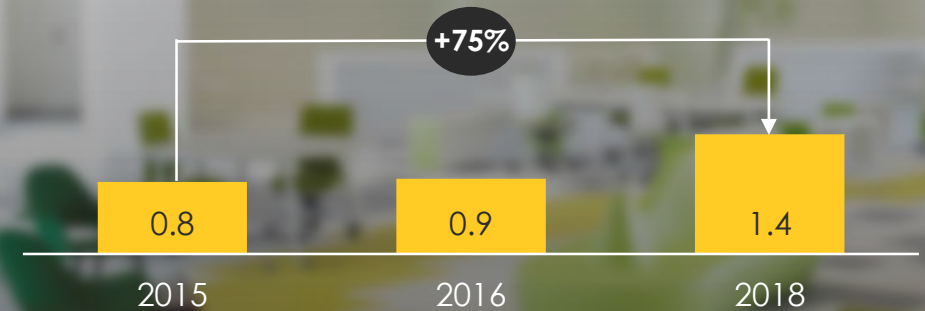
## NUMBER OF ADMINISTRATIVE SITES



## SPACE (in k sqm)

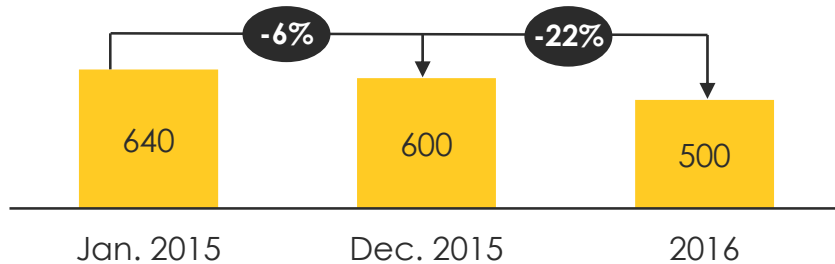


## SHARING RATIO OFFICE OCCUPANT / OFFICE WORKSTATION (in points)

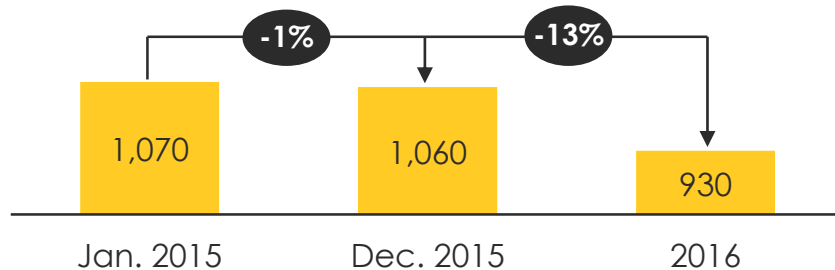


# VISUALIZATION OF THE CULTURAL CHANGE: REAL ESTATE

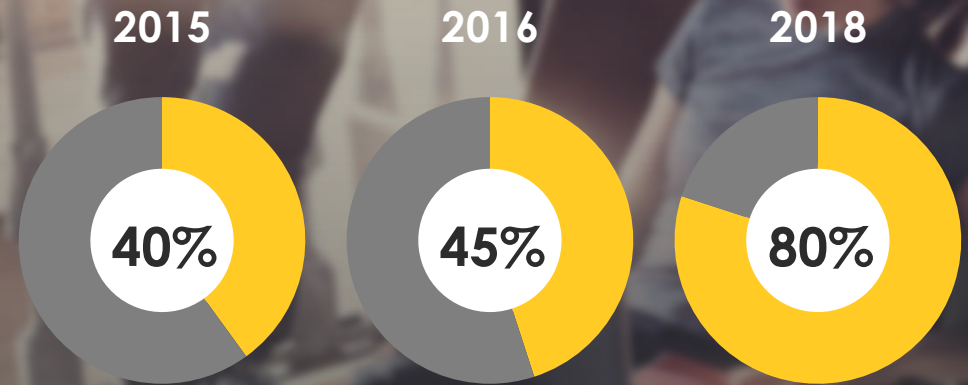
## NUMBER OF ADMINISTRATIVE SITES



## SPACE (in k sqm)



## OPEN OFFICE SPACE DEVELOPMENT (%)





# PERFORMANCE TRANSFORMATION



**RESUME MEANINGFUL DIVIDEND POLICY**



# RUSSIA UPDATE

**Kjell Morten Johnsen**  
Head of Major Markets and Russia CEO





# STRONG POSITION IN RUSSIA



## SOLID #3 POSITION IN MOBILE

- ▶ 57 million mobile customers
- ▶ 36 million mobile data customers
- ▶ Leading position in Moscow
- ▶ > USD 3.4 billion mobile revenue in FY 2016

## STRONG FIXED LINE ASSETS

- ▶ 10 million FTTB households passed, 2.2 million broadband customers
- ▶ > 100 thousand km of fiber network
- ▶ > USD 650 million fixed-line revenue in FY 2016

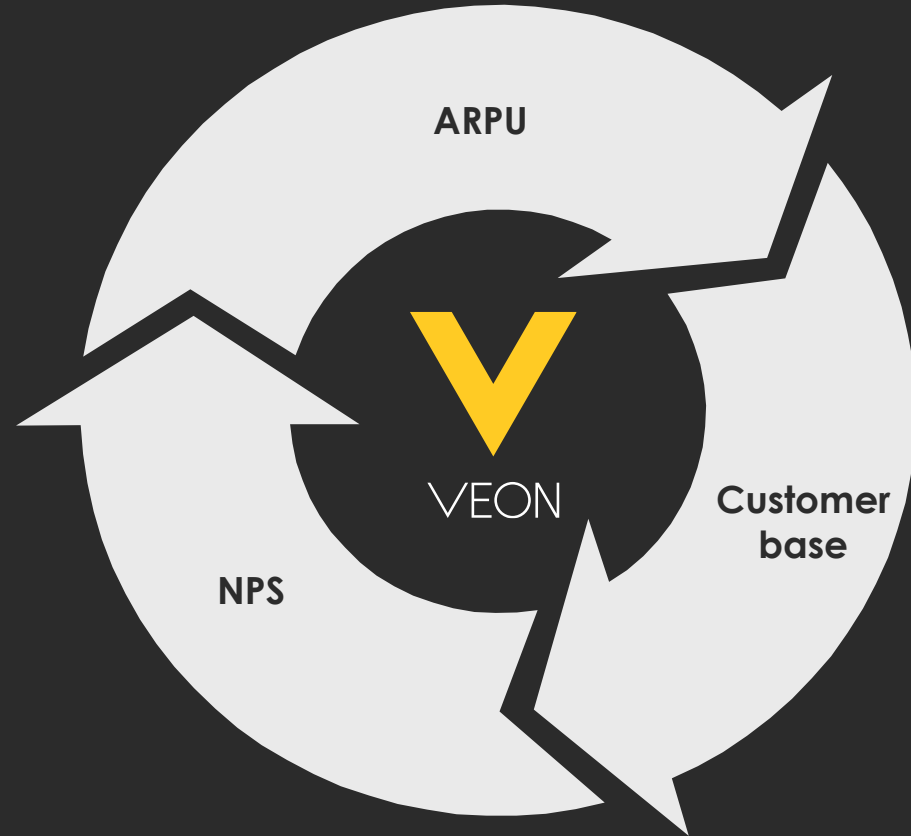
## DIGITAL PIONEER

- ▶ Successful launch of fixed mobile convergence product
- ▶ Launch of VEON in 2017

# PRIORITIES



- ▶ Grow revenue
- ▶ Increase customer satisfaction
- ▶ Become fully digital



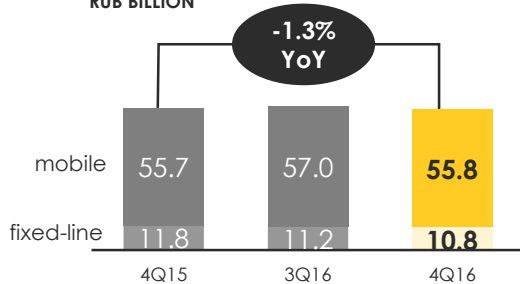
**Increase cash flow generation**

# RUSSIA: PERFORMANCE STABILIZED



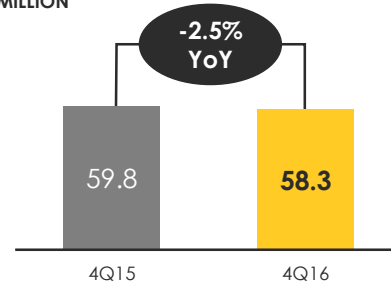
## SERVICE REVENUE

RUB BILLION



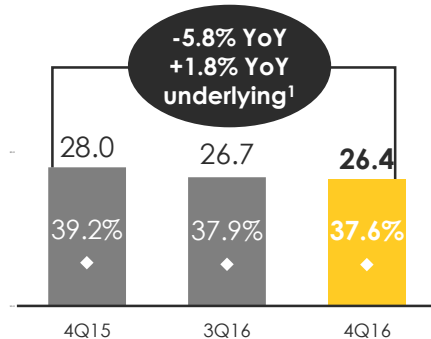
## MOBILE CUSTOMERS

MILLION



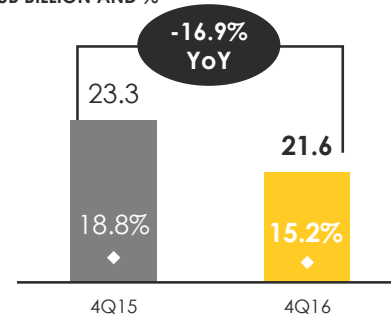
## EBITDA AND EBITDA MARGIN

RUB BILLION AND %



## CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE

RUB BILLION AND %



- ▶ Total service revenue decreased:
  - ▶ Declining fixed-line service revenue
  - ▶ Slight growth in mobile service revenue
- ▶ Continued strong mobile data revenue growth of 17% YoY
- ▶ Underlying EBITDA increased 2% YoY, adjusted for performance transformation costs and positive effect of site rental capitalization in 4Q15
- ▶ Capex decreased driven by performance transformation
- ▶ FY 2016 OCF margin<sup>2</sup> 23%
- ▶ Environment remains challenging

<sup>1</sup>. Q4 2016 EBITDA negatively impacted by one-offs, due to transformation costs, of RUB 86 million; Q4 2015 EBITDA negatively impacted by one-offs, due to transformation costs, of RUB 157 million and positively impacted by site rental capitalization of RUB 2.2 billion

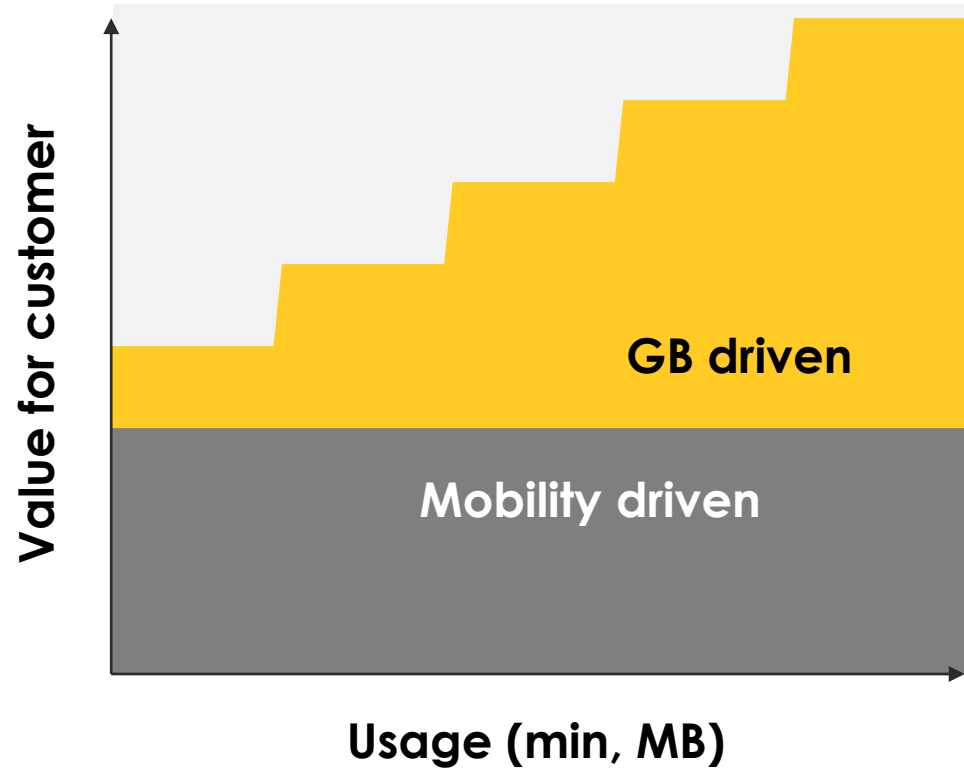
<sup>2</sup>. Operating Cash flow margin= (Underlying EBITDA-Capex excl. licenses)/Total revenue

# MONETIZATION THROUGH DATA CENTRIC PRICING



- ▶ Current mobile data pricing not sustainable
- ▶ Beeline leading market bundle penetration > 50%
- ▶ Market ready for data centric pricing with smartphone penetration > 50%

**Data centric pricing will enable operators to continue improving network quality**



# FMC TO SUPPORT FIXED-LINE BUSINESS

- ▶ Successful launch of FMC:
  - ▶ Strong pull: 500k+ convergent customers in just 9 months
  - ▶ Strong 2.5x ARPU uplift and lower churn
- ▶ Become the leading convergent operator
  - ▶ Fixed and convergent footprint expansion via partnerships with regional operators
  - ▶ Focus on B2B segment

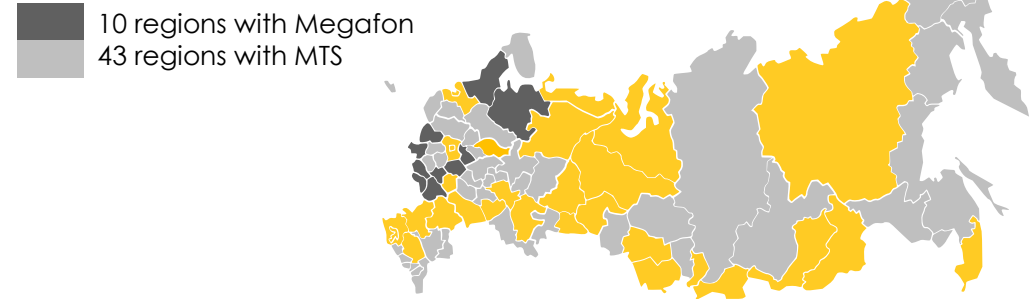


# INVESTING SMARTER

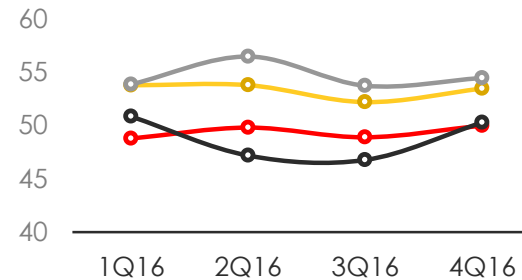


- ▶ Maximizing network investment efficiency through network sharing
- ▶ Medium-term goal to invest 15% capex to revenue
- ▶ Continuing network buildout, leveraging smart big data based approach
- ▶ Network customer satisfaction on par with competitors

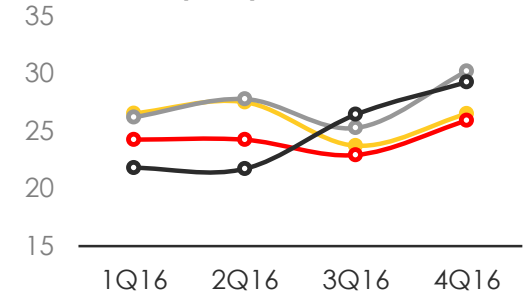
## Network sharing



Top down NPS, quality of voice



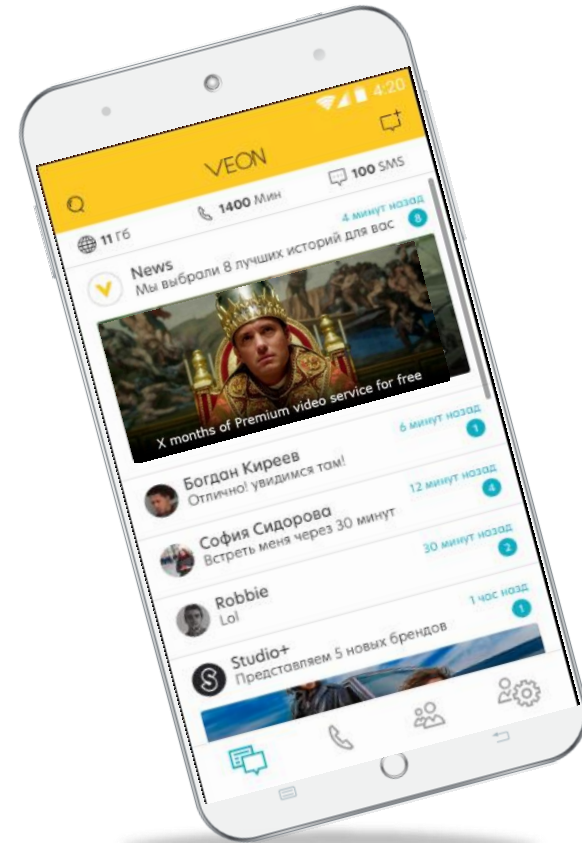
Top down NPS, quality of data



# VEON: ROLLING OUT GLOBAL VISION LOCALLY



- ▶ “Big bang” go-to-market strategy
  - ▶ Involvement of online celebrities (top bloggers)
  - ▶ Active promo campaign
  - ▶ Joint projects with popular web sites
- ▶ VEON internet platform differentiates through local content and partnerships
  - ▶ LaModa – leading on-line fashion store
  - ▶ Amediateka – leading on-demand video platform
  - ▶ N+1 – leading high tech online magazine







# HITS THE MARKET

**Maximo Ibarra**  
Wind Tre Chief Executive Officer






# DISCLAIMER



This presentation has been prepared by, and is the sole responsibility of, Wind Tre management, and no information contained herein, including, but not limited to, financial and industry data, market projections and strategy, has been prepared by or on behalf of, nor approved by, VimpelCom management. VimpelCom Ltd. is not making, nor has made, and shall have no liability in respect of, any written or oral representation or warranty, express or implied, of any nature whatsoever, with respect to any information included in this presentation, and can accept no responsibility for loss occasioned to any person acting or refraining from action as a result of any material contained herein.

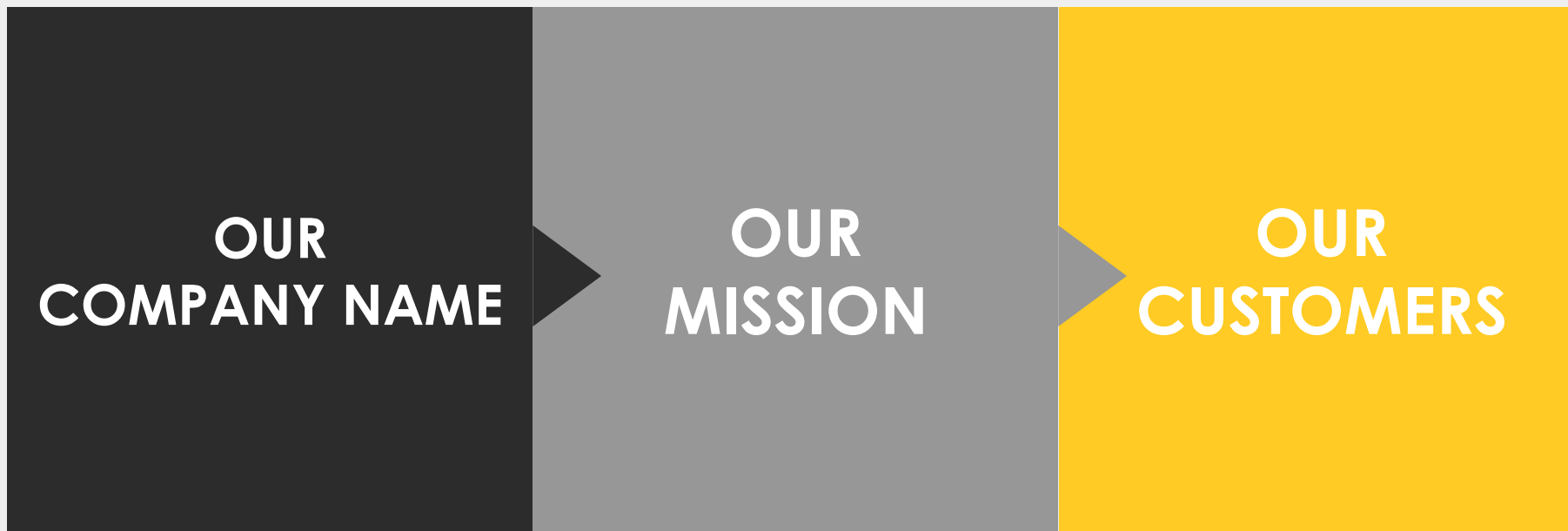
# AGENDA

<p><b>A</b></p> 	<p><b>B</b></p> 	<p><b>C</b></p> 	<p><b>D</b></p> 
<p>WHO WE ARE</p>	<p>WHERE WE COMPETE</p>	<p>WHAT WE'LL DO</p>	<p>WHAT WE ACCOMPLISHED</p>

# WIND TRE IDENTITY

A

Who we are



BE **1** TO BE **# 1**



1<sup>st</sup> mobile operator



2<sup>nd</sup> fixed operator

# WIND TRE IDENTITY

A

Who we are



## Our Management Team



**Solid management team selected from Wind and Tre, fully supported by a Supervisory Board of the parents' most senior executives**

# FINANCIAL HIGHLIGHTS FY 2016

## COMBINED DATA

A

Who we are



Total revenue		EBITDA <sup>1</sup>		EBITDA <sup>1</sup> %		Operating cash flow	
EUR 6.5 billion	+1.3% vs 2015	EUR 2.2 billion	+6.8% vs 2015	FY 33.6%	+170bps vs 2015	(EBITDA <sup>1</sup> – CAPEX)	~EUR 1 billion
	<b>+0.8%</b> in Q4 2016		<b>+7.5%</b> in Q4 2016	Q4 34.8%	+220bps vs Q4 2015		+9.5% vs 2015

### Mobile TLC<sup>2</sup> revenue

EUR 4.4 billion

+1.7% vs 2015

+1.7% in Q4 2016

### Fixed TLC revenue

EUR 1.1 billion

-2.0% vs 2015

+3.9% in Q4 2016

### Leverage ratio<sup>3</sup>

FY 2015 4.8x

FY 2016 4.2x

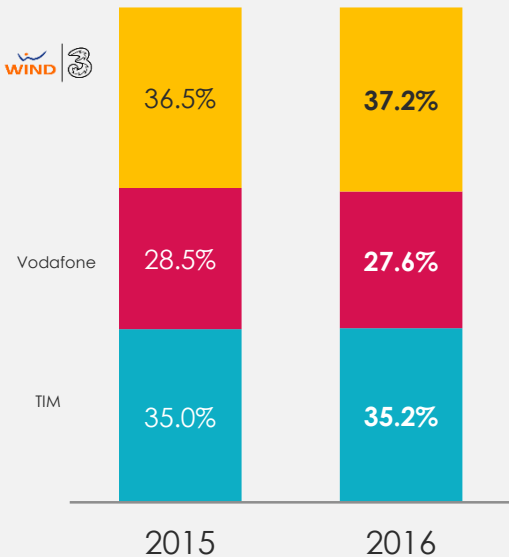
<sup>1</sup> 2016 EBITDA net off approximately EUR 60 million of one-off integration costs. 2015 EBITDA net off approximately EUR 19 million of one-off restructuring costs  
<sup>2</sup> 2015 mobile TLC revenue does not include EUR 20million revenue related to previous year H3G termination rate adjustments and reclassified as other revenue  
<sup>3</sup> Net debt/EBITDA

# COMPETITIVE LANDSCAPE

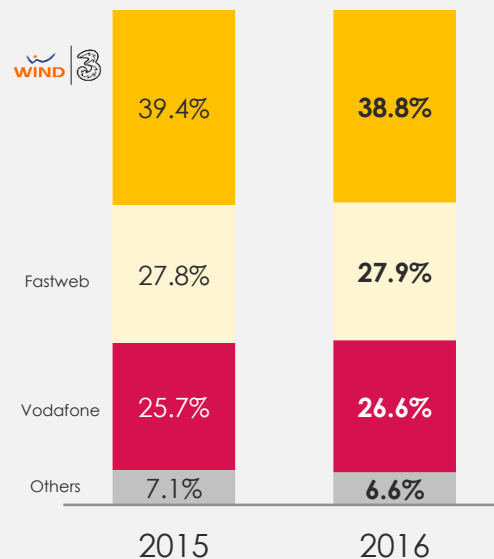
## B Where we compete



### Mobile market share<sup>1</sup>



### Fixed direct OLO's market share<sup>2</sup>



### The near future scenario

#### Mobile

- ▶ Vodafone and TIM consolidating their 'high network quality' positioning
- ▶ Iliad expected to enter the mobile market in the second half of 2017
- ▶ Announced launch of TIM 'no frills' 2<sup>nd</sup> brand

#### Fixed and convergence

- ▶ Open Fiber accelerated FTTH plan development
- ▶ Operators enhancing their fixed-mobile-convergence also developing agreements with content providers

#### Market recovery expected by analysts

<sup>1</sup> Source: Wind Tre actual, TIM and Vodafone Italia from statements; excluding MVNO. Market share based on SIM cards

<sup>2</sup> Source: Wind Tre actual; Fastweb, Vodafone and others based on internal estimates. Excluding fixed wireless access and BB wholesale, market share based on OLO direct lines

# PILLARS OF OUR STRATEGY

C

What we'll do



## Market leadership

- ▶ Secure leadership in customer satisfaction
- ▶ Deploy the largest best 4G/LTE network
- ▶ Boost FTTH presence
- ▶ Fully leverage on our wide and strong physical distribution footprint

## Digital all in

- ▶ Develop state of the art digital service model
- ▶ Launch VEON, a new digital engagement platform
- ▶ Provide tailored services leveraging our Data Management Platform

## Beyond mobile B2C

- ▶ Capture opportunities in growth segments such as:
  - ▶ Fiber and fixed mobile convergence
  - ▶ B2B connectivity and value added services

## Lean company

- ▶ Foster a new, agile modus operandi
- ▶ Improve efficiency, eliminating overlaps
- ▶ Build asset light technology footprint

**Our goal is to become the most innovative digital Telco with the largest and best 4G/LTE network**

# DUAL BRAND STRATEGY

C

What we'll do



## Brand positioning

- ▶ Two well-recognized, strong and perfectly harmonized brands
- ▶ Each brand focused on a specific value proposition, ready to face both new attackers and major operators

**In B2B segment one differentiated and 360° integrated brand approach**



# MAIN FINANCIAL GOALS

C

What we'll do



## Synergies

- ▶ Zero base rethinking of all cost elements to efficiency
- ▶ EUR 5 billion NPV synergies mainly from network, commercial and SG&A
- ▶ ~EUR 700 million annual run rate savings of which 90% by 2019

## Deleverage

- ▶ Leverage target below 3.0x in the long-term
- ▶ Exploring potential benefits from capital structure optimization

## Return on investments

- ▶ Shareholder distribution based on the following:

Leverage <sup>1</sup>	% EFCF <sup>2</sup>
<4.0x	40%
<3.5x	60%
<3.0x	80%

Focus on crystallizing shareholder value

<sup>1</sup>Net debt/EBITDA ratio. Target ratio to be reached for dividend payments

<sup>2</sup>Free cash flow defined as: net cash from operating activities less net cash used in investing activities. Maximum % of free cash flow available for dividends distribution

# WHAT WE ACCOMPLISHED

D

What we accomplished



## Effective governance

- ✓ Business plan and Budget approved
- ✓ New management appointed down to CEO-4 level
- ✓ Incentive policy in place
- ✓ Supervisory Board in place since day one, key decisions already taken and effective

## Set-up of a single commercial strategy

- ✓ Brand strategy defined
- ✓ Proposition portfolio harmonized fostering simplification and specialization across all segments
- ✓ Cross-selling activities launched with fixed-line corners active in '3' shops

## Fast-track to an integrated technology infrastructure

- ✓ Creating a differentiated, single RAN and best 4G/LTE network in Italy, targeting 99% population outdoor coverage by 2019
- ✓ Targeting 21k radiating sites most of which fibre enabled
- ✓ Key network and IT vendors already selected

## Contract with remedy taker

- ✓ Spectrum transfer: first blocks made available for transfer
- ✓ Sites disposal: ~1,000 transferable sites already identified
- ✓ Roaming agreement: technology set-up in progress

# KEY TAKEAWAYS

<p><b>A</b></p> 	<p><b>B</b></p> 	<p><b>C</b></p> 	<p><b>D</b></p> 
<p><b>WHO WE ARE</b></p> <p>#1 in mobile</p> <p>#2 in fixed</p>	<p><b>WHERE WE COMPETE</b></p> <p>Ready with our solid foundations to win future challenges in a new environment</p>	<p><b>WHAT WE'LL DO</b></p> <p>Our goal is to become the most innovative digital Telco with the largest and best mobile broadband network</p>	<p><b>WHAT WE ACCOMPLISHED</b></p> <p>Fast integration, one Company operating at full speed</p>



# FINAL REMARKS

**Jean-Yves Charlier**  
Chief Executive Officer





# Q&A

**Barcelona**  
27 February 2017





VEON

# APPENDIX

**Barcelona**

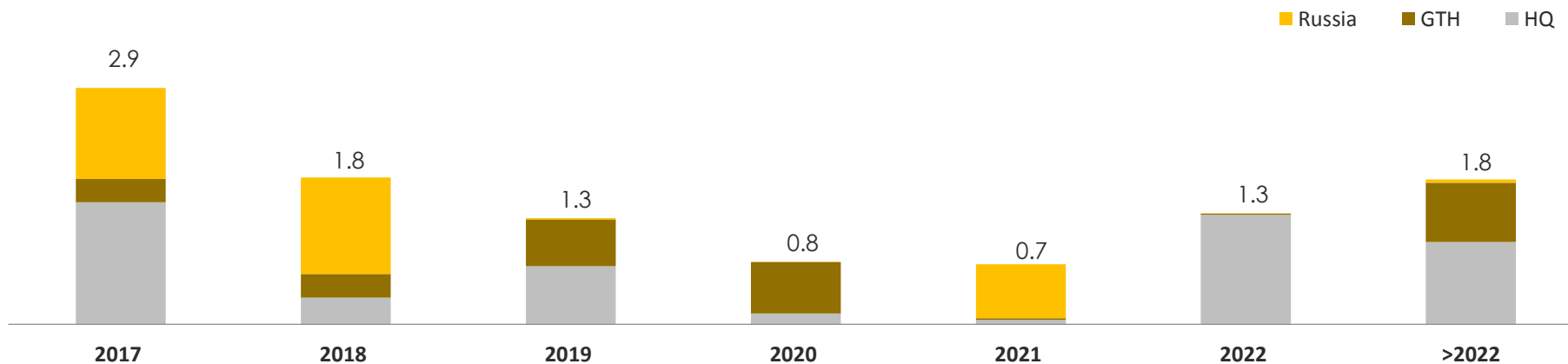
27 February 2017

# DEBT MATURITY SCHEDULE



As at 31 December 2016,  
USD BILLION

## Group debt maturity schedule by Business Units



## Group debt maturity schedule by currency<sup>1</sup>

	2017	2018	2019	2020	2021	2022	>2022	
USD	1.5	0.7	1.1	0.7	0.7	1.3	1.7	73%
RUB	1.1	0.9	0.0	0.0	0.0	0.0	0.0	19%
Other	0.2	0.2	0.2	0.1	0.0	0.0	0.0	8%

<sup>1</sup> After effect of cross currency swaps

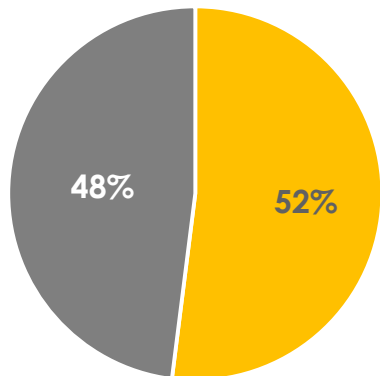


# LIQUIDITY ANALYSIS



## Group Cash breakdown by currency

(December 31, 2016)



■ USD ■ Other

**Group cash: USD 3.3 billion**

## Unused RCF headroom at the end 4Q16:

VimpelCom - syndicate	USD 1.8 billion
PJSC VimpelCom - Sberbank	RUB 15 billion (USD 0.2 billion )

## Unused VF/CF headroom at the end

VimpelCom - CDB	RMB 0.6 billion (USD 0.1 billion)
Algeria - syndicate	DZD 32 billion (USD 0.3 billion)

**New multi-currency<sup>1</sup> term and revolving facilities agreement up to USD 2.25 billion signed with several international banks in February 2017**

<sup>1</sup> Borrower VimpelCom Holdings, with the option to make each drawdown under the facilities in either USD or EUR

# DEBT BY ENTITY

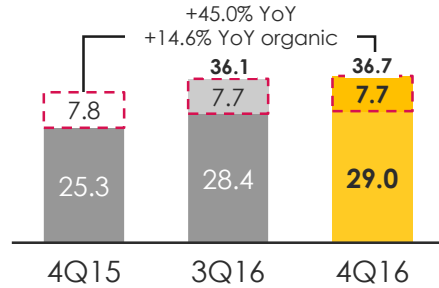
As at 31 December 2016,  
USD millions



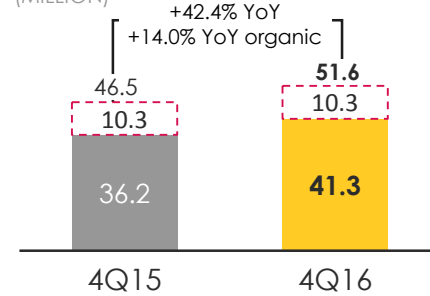
Outstanding debt (millions)	Type of debt/lender					Total
	Bonds	Loans	RCF	Vendor Financing	Other	
VimpelCom Holdings B.V.	3,380	-	-	21	-	3,402
VimpelCom Amsterdam B.V.	-	1,000	-	601	-	1,601
PJSC VimpelCom	1,810	1,021	-	71	63	2,965
GTH Finance B.V.	1,200	-	-	-	-	1,200
Pakistan Mobile Communications Limited	66	598	-	-	-	665
Banglalink Digital Communications Ltd.	300	5	-	-	0	305
Omnium Telecom Algeria S.p.A.	-	340	-	-	-	340
Others	-	-	-	8	3	11
<b>Total</b>	<b>6,757</b>	<b>2,964</b>	<b>-</b>	<b>702</b>	<b>66</b>	<b>10,489</b>

# PAKISTAN: DOUBLE DIGIT GROWTH CONTINUES, INTEGRATION ONGOING

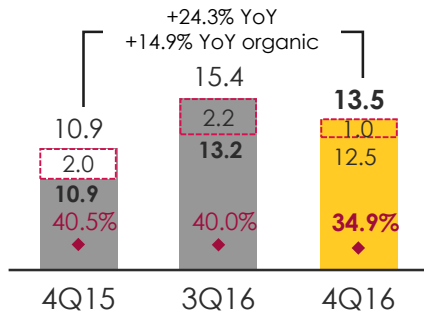
**SERVICE REVENUE**  
(PKR BILLION)



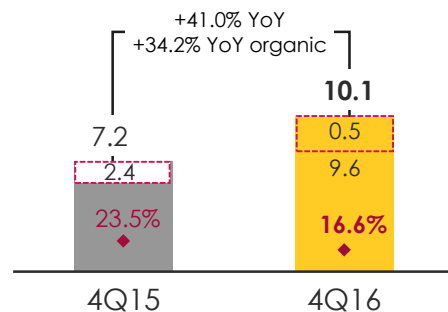
**MOBILE CUSTOMERS**  
(MILLION)



**EBITDA AND EBITDA MARGIN**  
(PKR BILLION AND %)



**CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE**  
(PKR BILLION AND %)



- ▶ Merger integration execution ahead of schedule:
  - ▶ annual run-rate of PKR 8.2 billion (USD 78 million) synergies already achieved
  - ▶ Mobilink and Warid rebranded as “Jazz” in January 2017
- ▶ Double digit revenue growth, supported by all revenue streams, resulting in revenue market share gain
- ▶ In Q4 2016 mobile data revenue organic growth of 61.7% YoY; MFS revenue growth of 34.2% YoY
- ▶ In Q4 Underlying EBITDA margin<sup>1</sup> of merged entity, excluding transformation/integration costs, of 40.3%
- ▶ FY 2016 OCF margin<sup>2</sup> of 26%
- ▶ First dividend declared in 11 years
  - ▶ Gross amount ~PKR 5 billion (~USD 50 million)

     Warid contribution; Q4 2015 total figures are pro-forma, including intercompany transactions with Mobilink

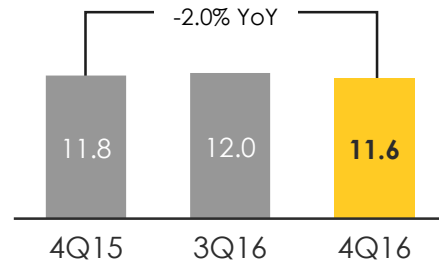
Organic YoY change represents standalone performance of Mobilink

<sup>1</sup> Q4 2016 EBITDA negatively impacted by one-offs of transformation/integration costs of PKR 2.1 billion; Q4 2015 EBITDA negatively impacted by a one-off of PKR 0.2 billion related to transformation costs

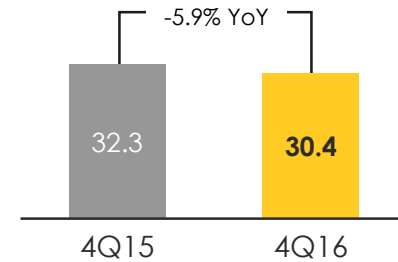
<sup>2</sup> Operating Cash flow margin= (Underlying EBITDA-Capex excl. licenses)/Total revenue

# BANGLADESH: CUSTOMER GROWTH IN A COMPETITIVE MARKET

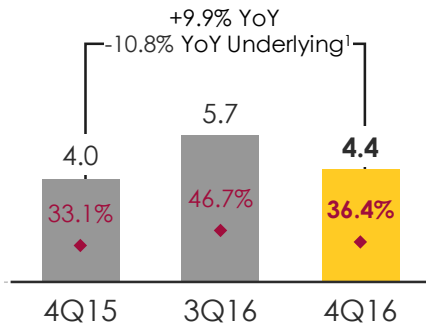
**SERVICE REVENUE**  
(BDT BILLION)



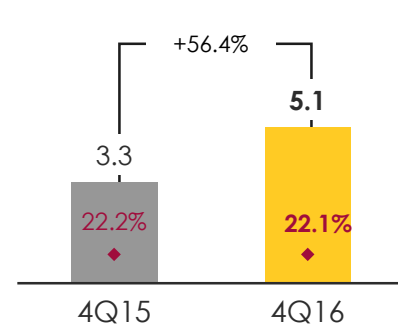
**MOBILE CUSTOMERS**  
(MILLION)



**EBITDA AND EBITDA MARGIN**  
(BDT BILLION AND %)



**CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE**  
(BDT BILLION AND %)



- ▶ Service revenue decreased 2% YoY:
  - ▶ aggressive competition on price and offers, accelerated after the SIM-verification and in-market consolidation
  - ▶ additional supplementary duties introduced in H1 2016
  - ▶ gap in 3G network especially in semi-rural and urban areas
- ▶ Sustained strong growth in data revenue of 51% YoY
- ▶ Customer grew by 1.4 million QoQ; excluding the SIM re-verification impact of 3.8 million SIM blocking, the customer base in 4Q16 would have increased by ~6% YoY
- ▶ Underlying EBITDA declined as a result of accelerated customer acquisition activity during the quarter
- ▶ 3G coverage reached 59% of population; Banglalink is addressing the gap versus competitors, aiming at substantially improving the 3G network in 2017
- ▶ FY 2016 OCF margin<sup>2</sup> of 24.3%

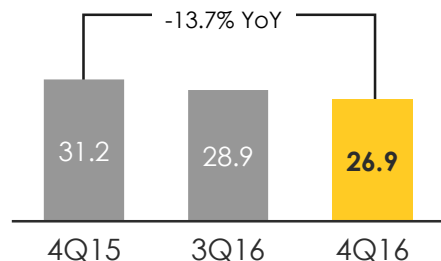
<sup>1</sup> Q4 2016 EBITDA negatively impacted by one-offs due to transformation of BDT 0.8 billion; Q4 2015 EBITDA negatively impacted by one-offs, including transformation costs, of BDT 1.8 billion

<sup>2</sup> Operating Cash flow margin= (Underlying EBITDA-Capex excl. licenses)/Total revenue

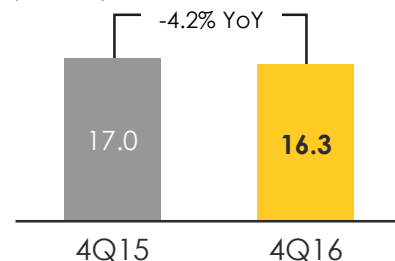
# ALGERIA: CONTINUED PRESSURE ON RESULTS



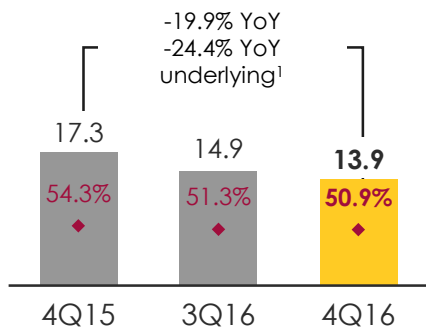
**SERVICE REVENUE**  
(DZD BILLION)



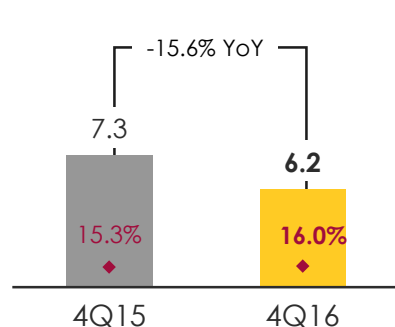
**MOBILE CUSTOMERS**  
(MILLION)



**EBITDA AND EBITDA MARGIN**  
(DZD BILLION AND %)



**CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE**  
(DZD BILLION AND %)



- ▶ Service revenue continued to decrease double digit YoY, notwithstanding strong data revenue (+70% YoY)
- ▶ New CEO on board since 26 January, leading a renewed management team committed to the turnaround
- ▶ Key focal points of the mid-term turnaround:
  - ▶ strengthening the organization, focus on commercial
  - ▶ distribution, both direct and indirect
  - ▶ keeping positive momentum in 4G/LTE roll-out, already completed in 20 wilayas, keeping Djezzy ahead of competition
- ▶ Customer base increased QoQ
- ▶ Underlying EBITDA margin continued to be above 50%, as a result of Performance Transformation program
- ▶ FY 2016 OCF margin<sup>2</sup> of 38%

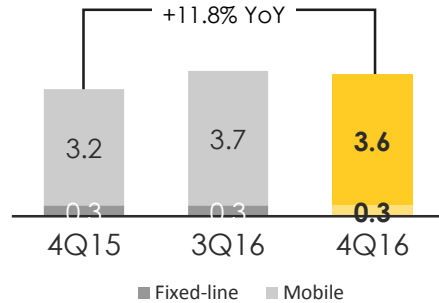
<sup>1</sup> Q4 2016 EBITDA negatively impacted by one-offs, due to transformation costs, of DZD 0.2 billion; Q4 2015 EBITDA negatively impacted by one-offs, due to transformation costs, of DZD 1.3 billion

<sup>2</sup> Operating Cash flow margin= (Underlying EBITDA-Capex excl. licenses)/Total revenue

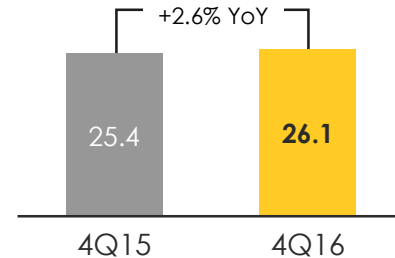
# UKRAINE: STRONG RESULTS



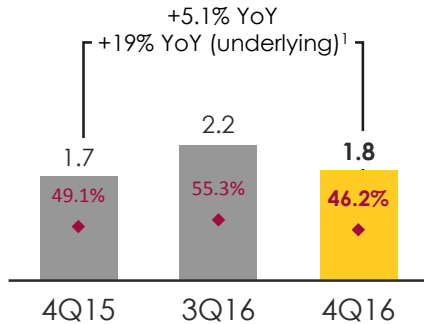
**SERVICE REVENUE**  
(UAH BILLION)



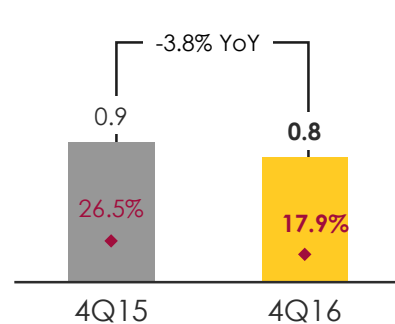
**MOBILE CUSTOMERS**  
(MILLION)



**EBITDA AND EBITDA MARGIN**  
(UAH BILLION AND %)



**CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE**  
(UAH BILLION AND %)



- ▶ Clear market leader in challenging environment
- ▶ Annual churn at historic low of 18%
- ▶ Service revenue increased 12% YoY, with mobile data revenue growing at 63% YoY
- ▶ Underlying EBITDA increased 19% YoY with a margin of 52.4%
- ▶ FY 2016 OCF margin<sup>2</sup> a robust 36%
- ▶ Kyivstar 3G population coverage reached 61% from 35% at the end of 2015

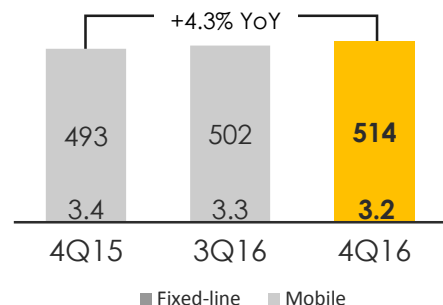
<sup>1</sup> Q4 2016 EBITDA negatively impacted by provisions for penalties and tax related issues of UAH 240 million

<sup>2</sup> Operating Cash flow margin = (Underlying EBITDA - Capex excl. licenses) / Total revenue

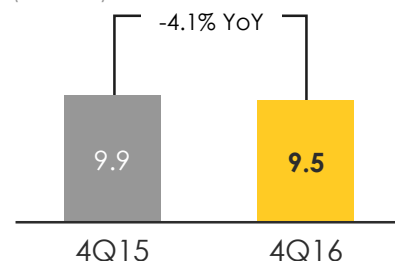
# UZBEKISTAN: STRENGTHENED MARKET POSITION



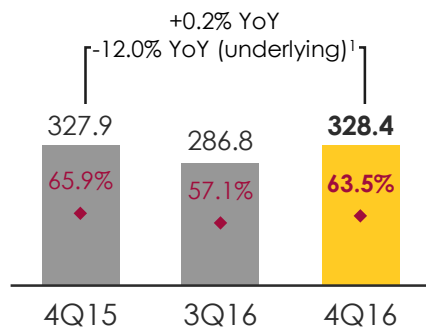
**SERVICE REVENUE**  
(UZS BILLION)



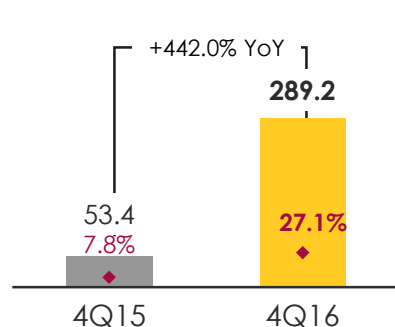
**MOBILE CUSTOMERS**  
(MILLION)



**EBITDA AND EBITDA MARGIN**  
(UZS BILLION AND %)



**CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE**  
(UZS BILLION AND %)



- ▶ Clear leader in NPS
- ▶ Mobile service revenue grew 4% YoY, despite increased competition
- ▶ Mobile data revenue grew 9% YoY
- ▶ Underlying EBITDA decreased by 12.0%, due to increased business costs and increased customer taxes, which impacted EBITDA margin negatively by 4.2 p.p.
- ▶ Capex increased due significant network investments
- ▶ Strong OCF margin<sup>2</sup> of 30.1%
- ▶ Structural approach to start cash upstreaming

<sup>1</sup> Q4 2016 EBITDA positively impacted by reversal of provision related to a court case of UZS 39.9 billion

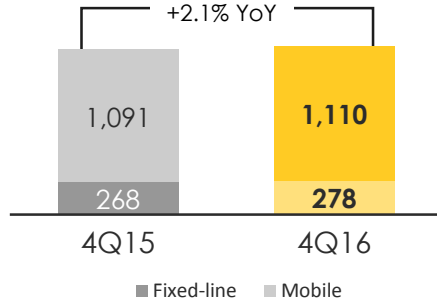
<sup>2</sup> Operating Cash flow margin= (Underlying EBITDA-Capex excl. licenses)/Total revenue



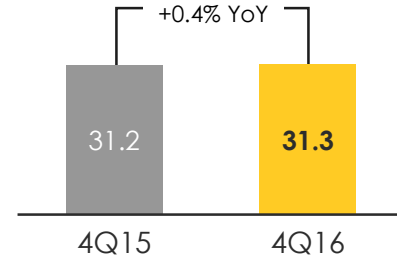
# ITALY: WIND TRE HITS THE MARKET

## COMBINED DATA

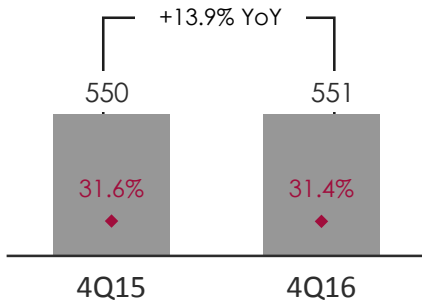
**SERVICE REVENUE<sup>1</sup>**  
(EUR MILLION)



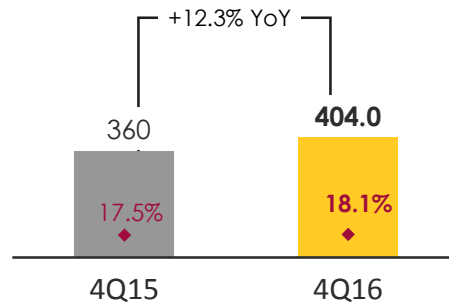
**MOBILE CUSTOMERS**  
(MILLION)



**EBITDA AND EBITDA MARGIN**  
(EUR MILLION AND %)



**CAPEX EXCL. LICENSES AND LTM CAPEX/REVENUE**  
(EUR MILLION AND %)



- ▶ Wind Tre fully operational since December 30, 2016
- ▶ The leading mobile operator in Italy with a customer base exceeding 31 million and market share above 37%
- ▶ Healthy service revenue<sup>1</sup> growth of 2.1% with positive trends in all segments
- ▶ Strong EBITDA underlying<sup>2</sup> growth of 7.5% with EBITDA margin at 34.8%
- ▶ Merger integration is on track

<sup>1</sup> Q4 2015 mobile service revenue doesn't include EUR 20 million, related to adjustment to H3G termination rate, included in other revenue

<sup>2</sup> Q4 2015 mobile service revenue doesn't include EUR 20 million, related to adjustment to H3G termination rate, included in other revenue. Q4 2016 EBITDA negatively impacted by approximately EUR 60 million of integration costs. Q4 2015 EBITDA negatively impacted by EUR 19 million of restructuring costs

# FOREX



	Target rates	Average rates			Average rates			Closing rates		
	FY17	4Q16	4Q15	YoY	FY16	FY15	YoY	4Q16	3Q16	QoQ
Russian Ruble	67.00	63.07	65.94	(4.4%)	67.03	60.96	10.0%	60.66	63.16	-4.0%
Pakistan Rupee	107.00	104.78	104.94	(0.2%)	104.72	102.75	1.9%	104.37	104.46	-0.1%
Algerian Dinar	118.00	110.58	106.81	3.5%	109.43	100.37	9.0%	110.40	109.62	0.7%
Bangladeshi Taka	79.00	78.62	78.46	0.2%	78.44	77.96	0.6%	78.92	78.38	0.7%
Ukrainian Hryvnia	28.00	25.89	22.85	13.3%	25.55	21.83	17.0%	27.19	25.91	4.9%
Kazakh Tenge	350.00	335.07	300.44	11.5%	341.76	222.25	53.8%	333.29	334.93	-0.5%
Uzbekistan Som	3,231.34	3,129.41	2,712.0	15.4%	2,965.66	2,568.7	15.5%	3,231.5	3,010.2	7.4%
Armenian Dram	480.00	478.84	478.50	0.1%	480.45	477.82	0.6%	483.94	474.46	2.0%
Kyrgyz Som	70.00	68.83	72.25	(4.7%)	69.90	64.48	8.4%	69.23	67.93	1.9%
Georgian Lari	2.25	2.50	2.40	4.1%	2.37	2.27	4.3%	2.65	2.33	13.6%