VEON

Q1 2018 RESULTS

Amsterdam, 14 May 2018

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, VEON's plans to implement its strategic priorities, including with respect to its transformation plan, among others; anticipated performance and guidance for 2018, including VEON's ability to generate sufficient cash flow; future market developments and trends; operational and network development and network investment, including expectations regarding the roll-out and benefits of 3G/4G/LTE networks, as applicable; the effect of the acquisition of additional spectrum on customer experience; and VEON'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 VEON'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 VEON's products and services; continued volatility in the economies in VEON's markets; unforeseen developments from competition; governmental regulation of the telecommunications industries; general political uncertainties in VEON's markets; government investigations or other regulatory actions; litigation or disputes with third parties or other negative developments regarding such parties; failure to realize the expected benefits of the Italy Joint Venture 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 priorities, the effect of foreign currency fluctuations, increased competition in the markets in which VEON operates and the effect of consumer taxes on the purchasing activities of consumers of VEON´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 VEON's Annual Report on Form 20-F for the year ended December 31, 2017 filed with the U.S. Securities and Exchange Commission (the "SEC") and other public filings made by VEON with the SEC. Other unknown or unpredictable factors also could harm our future results. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our 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 us 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. We cannot assure you that any projected results or events will be achieved. Except to the extent required by law, we disclaim 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. Non-IFRS measures are reconciled to comparable IFRS measures in VEON Ltd.'s earnings release published on its website on the date hereof.

VEON Ltd. owns a 50% share of the Italy Joint Venture (with CK Hutchison owning the other 50%) and we account for this JV using the equity method as we do not have control. All information related to the Italy Joint Venture is the sole responsibility of the Italy Joint Venture's management, and no information contained herein, including, but not limited to, the Italy Joint Venture's financial and industry data, has been prepared by or on behalf of, or approved by, our management. As a result of this, we do not provide any reconciliations for non-IFRS measures for the Wind Tre Joint Venture. For further information on the Italy Joint Venture and its accounting treatment, see "Explanatory Note—Presentation of Financial Information of the Italy Joint Venture" included in our Annual Report on Form 20-F for the year ended 31 December 2017 and notes 5, 14 and 25 to our audited consolidated financial statements filed therewith.

All non-IFRS measures disclosed further in this presentation (including, without limitation, EBITDA, EBITDA margin, EBT, net debt, equity free cash flow, organic growth, capital expenditures excluding licenses and LTM (last twelve months) capex excluding licenses/revenue) are reconciled to comparable IFRS measures in VEON Ltd.'s earnings release published on its website on the date hereof. In addition, we present certain information on a forward-looking basis (including, without limitation, the expected impact on revenue, EBITDA and equity free cash flow from the consolidation of the Euroset stores after completing the transaction ending the Euroset joint venture). We are not able to, without unreasonable efforts, provide a full reconciliation to IFRS due to potentially high variability, complexity and low visibility as to the items that would be excluded from the comparable IFRS measure in the relevant future period, including, but not limited to, depreciation and amortization, impairment loss, loss on disposal of non-current assets, financial income and expenses, foreign currency exchange losses and gains, income tax expense and performance transformation costs, cash and cash equivalents, long - term and short-term deposits, interest accrued related to financial liabilities, other unamortized adjustments to financial liabilities, derivatives, and other financial liabilities.

Key developments

- VEON reports good revenue and EBITDA organic growth in Q1 2018; USD 334 million in equity free cash flow excluding licenses; FY 2018 guidance confirmed

- Russia saw normalization in EBITDA, returning to trend
- Pakistan, Ukraine and Uzbekistan continued their strong performance
- Algeria and Bangladesh remain under pressure; operational turnarounds in progress
- Continued competitive pressure weighs on Italy JV revenue; synergies on track, offsetting the top-line impact on EBITDA

- VEON now launched 4G/LTE in all operating countries

  Launch of 4G/LTE expected to sustain strong data growth in Ukraine and support turnaround in Bangladesh

- Euroset integration and rebranding into Beeline stores in Russia on track; integration costs impacting 2018 EBITDA, expected positive contribution from 2019 onwards

- VEON withdrew the Mandatory Tender Offer for shares of GTH, given the lapse of time and absence of approval from regulators in Egypt
- Current best estimate for total Yarovaya law expenditures is RUB 45 billion over 5 years, of which approximately RUB 6 billion in FY 2018

- Ursula Burns appointed as Executive Chairman, Kjell Morten Johnsen appointed as interim COO

Good revenue and EBITDA organic[1] growth, FY 2018 guidance on track

- Total revenue organic[1] growth of 3.2% YoY, mainly driven by Russia, Pakistan, Ukraine; reported total revenue -1.4% due to Uzbekistan and Pakistan currencies devaluation
- Mobile data revenue organic growth of 23% YoY, reported mobile data revenue +15.9%
- EBITDA organic[1] growth of 6.3% YoY, driven by good operational performance in Russia, Pakistan and Ukraine, partially offset by declining EBITDA in Algeria and Bangladesh
- Reported EBITDA decreased 0.8% YoY to USD 854 million due to currency devaluation in Uzbekistan and Pakistan, and Euroset integration costs. EBITDA margin at 38.0% (Q1 2017 37.8%).
- Capex excl. licenses increased by 34.7% YoY due to 4G/LTE roll-out and more equal quarterly distribution of expenditures; resulting in 16.4% LTM capex to revenue
- Q1 2018 equity free cash flow excluding licenses[2] increased to USD 334 million

TOTAL REVENUE (USD BILLION) 2.3
+3.2% organic[1] YoY
-1.4% reported YoY

EBITDA (USD MILLION) 854
+6.3% organic[1] YoY
-0.8% reported YoY

CAPEX EXCL. LICENSES (USD MILLION) 355
+34.7% reported YoY
LTM capex/revenue: 16.4%

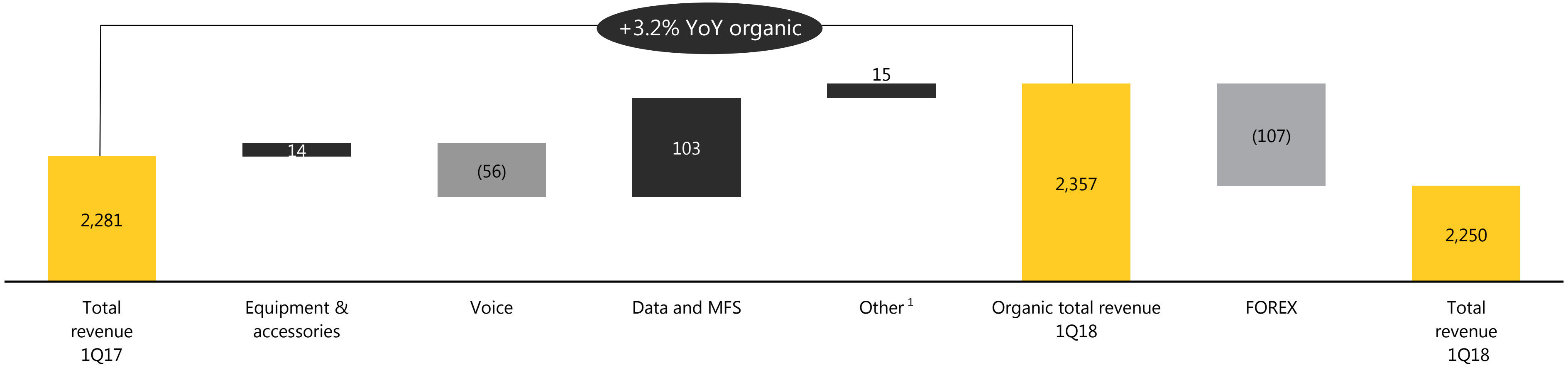
EQUITY FREE CASH FLOW EXCL. LICENSES[2] (USD MILLION) 334
+216% reported YoY

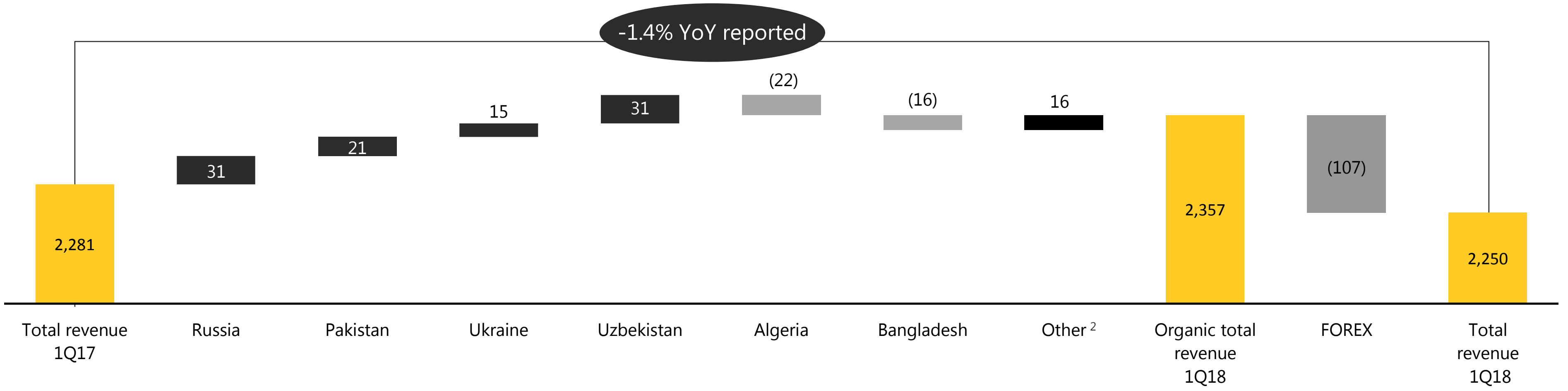
[1] Organic change is a non-IFRS measure and reflects changes in revenue and EBITDA. Organic change excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. In Q1 2018 organic growth is calculated at constant currency and excludes the impact from Euroset transaction. See attachment in Earnings release for reconciliations
[2] Equity free cash flow is a non-IFRS measure and is defined as free cash flow from operating activities less cash flow used in investing activities, excluding M&A transactions, capex for licenses, inflow/outflow of deposits, financial assets and other one-off items

Revenue development

Solid organic growth in most countries, partially offset by decrease in Algeria and Bangladesh

USD MILLION





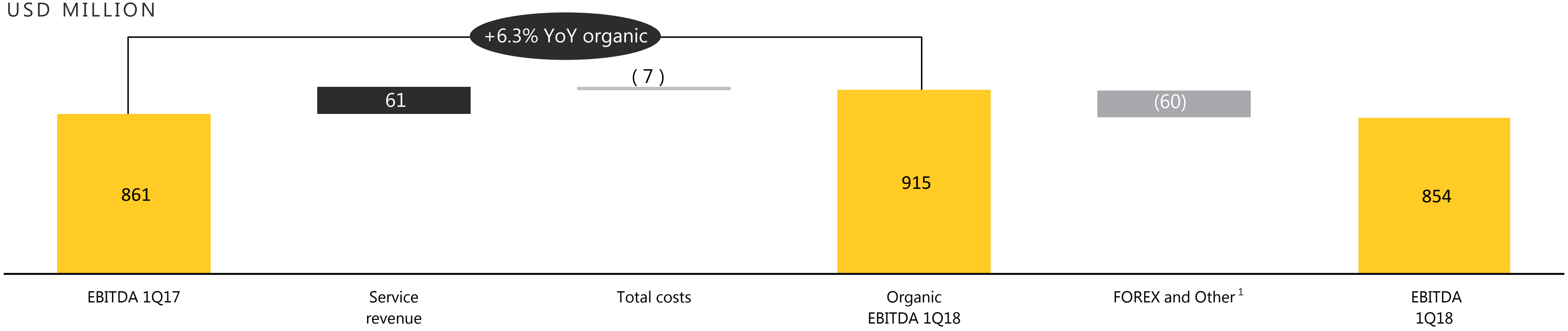
[1] Other includes interconnect, roaming and intercompany eliminations

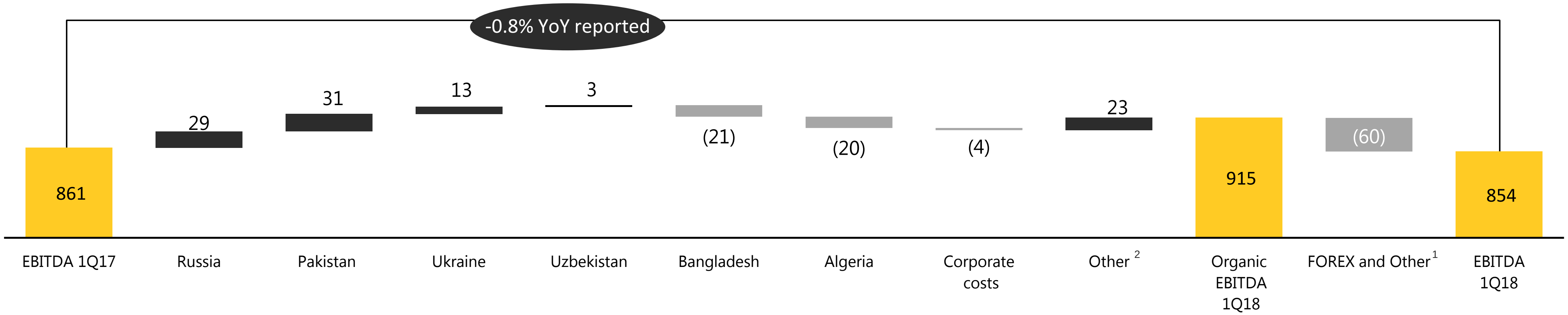
[2] Other in Q1 2018 mainly includes the results of Kazakhstan, Kyrgyzstan, Armenia, Georgia, Tajikistan, other global operations and services and intercompany eliminations

EBITDA development

Good organic growth

USD MILLION





[1] FOREX and Other refer to Forex and Euroset impact on EBITDA
[2] Other in Q1 2018 mainly includes the results of Kazakhstan, Kyrgyzstan, Armenia, Georgia, Tajikistan, other global operations and services and intercompany eliminations

Q1 2018 - Corporate costs

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- In Q1 2018, corporate costs were at USD 80 million, up ~5% YoY
  - ▸ Year-on-year increase mostly due to severance costs, partially offset by a release of a provision for long term management incentive plans
- All the initiatives to address the corporate costs are progressing in line with expectations

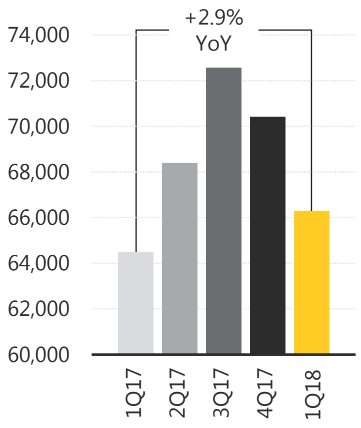
Aiming to reduce corporate costs in FY 2018 by ~20% YoY from ~USD 430 million in FY 2017

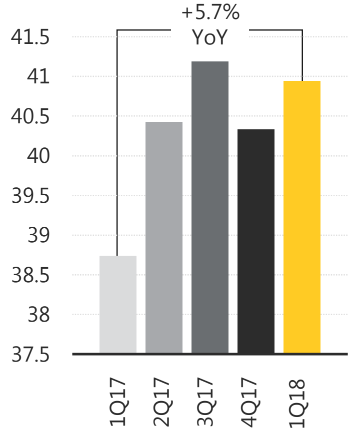
Revenue and EBITDA country trends

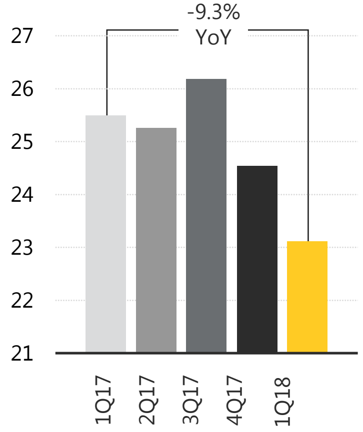
Figures and trends in local currency

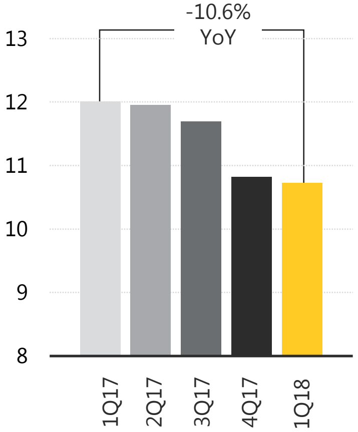
RUSSIA (RUB BILLION) | PAKISTAN (PKR BILLION) | ALGERIA (DZD BILLION) | BANGLADESH (BDT BILLION) | UKRAINE (UAH BILLION) | UZBEKISTAN (UZS BILLION)

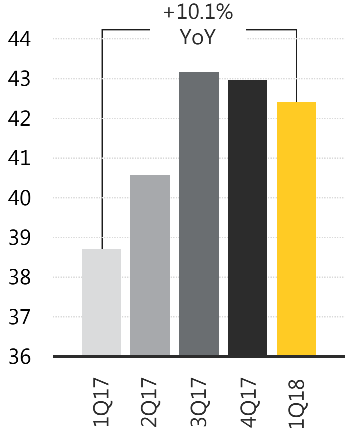
Revenue

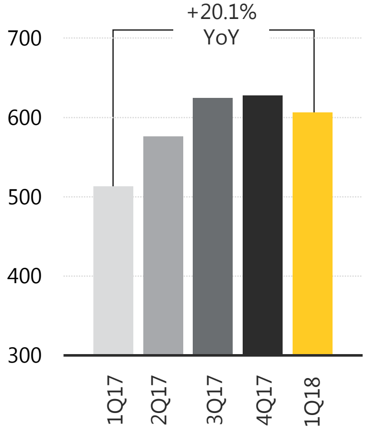




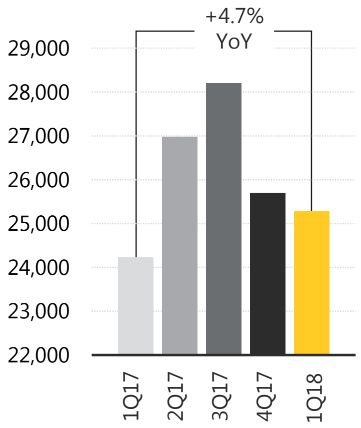


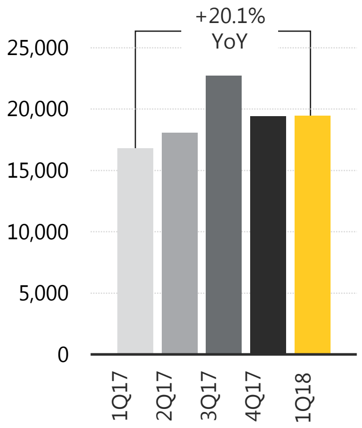


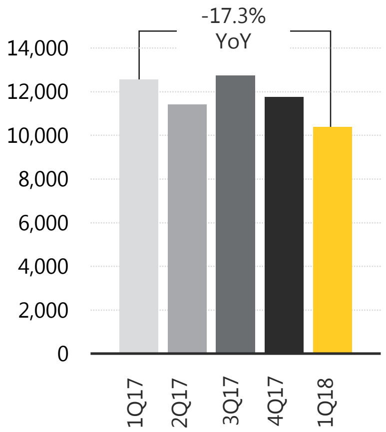


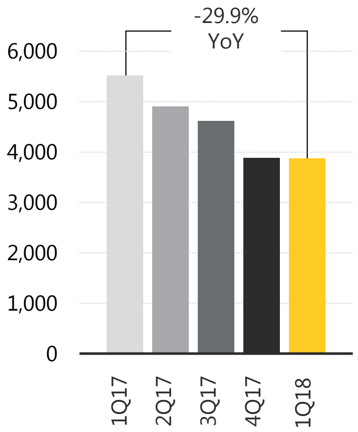


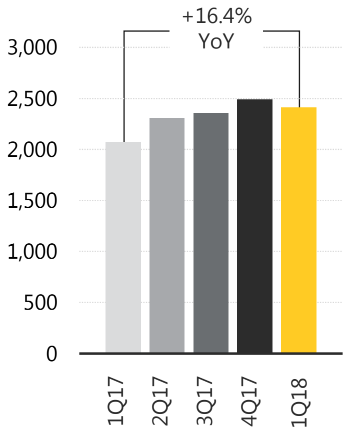
EBITDA

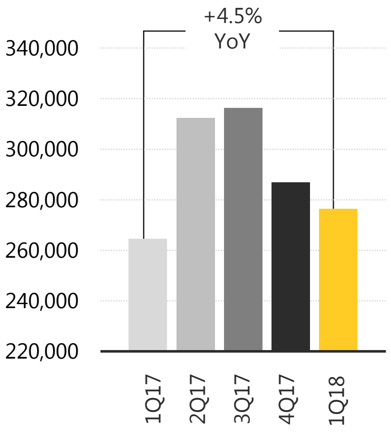






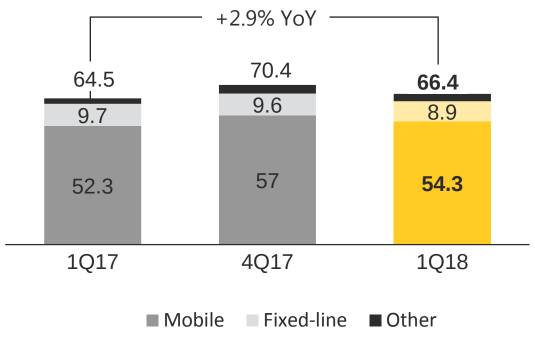




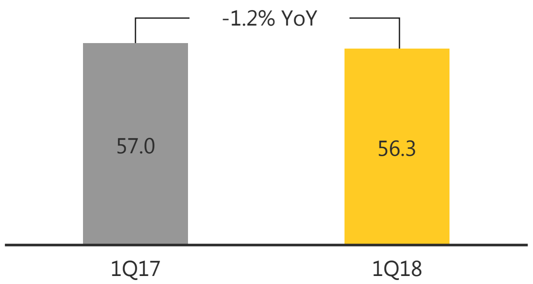


Russia: good results, with EBITDA returning to trend

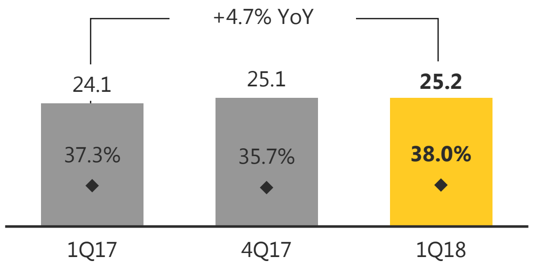
TOTAL REVENUE
(RUB BILLION)



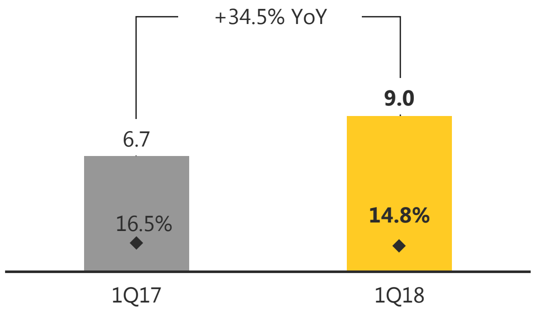
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(RUB BILLION AND %)



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



- Mobile service revenue increased by 3.7% YoY, mainly driven by 8.9% mobile data revenue growth
  - Mobile ARPU grew by 4.4% YoY
- Fixed-line service revenue decreased by 8.2% YoY, mainly due to the centralization of transit services revenue in VEON Wholesale Services and B2B revenue decrease
- EBITDA increased by 4.7%, driven by revenue growth and improved device margin, partially offset by Euroset integration costs of ~RUB 600 million
- Euroset integration on track, ~800 stores rebranded as of end of April; majority of integration costs expected in Q2 2018
- Capex excluding licenses increased YoY mainly due to more equal quarterly distributions while LTM Capex/Revenue decreased to 14.8%
- Current best estimate for total Yarovaya law expenditures is RUB 45 billion. FY 2018 expected investment approximately RUB 6 billion

Pakistan: continued data-driven revenue growth and further margin expansion

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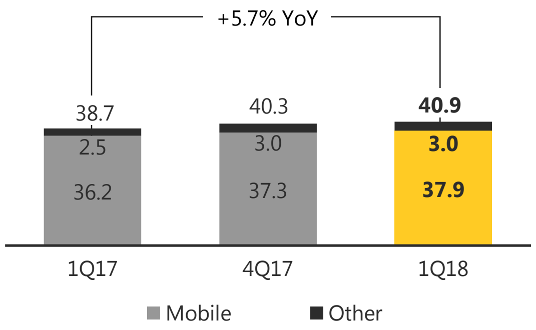
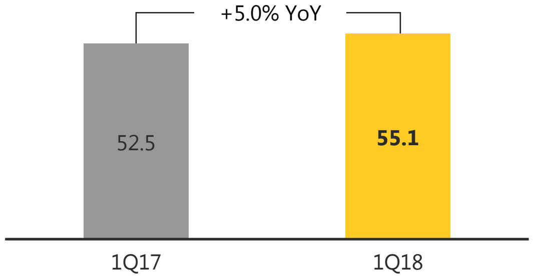
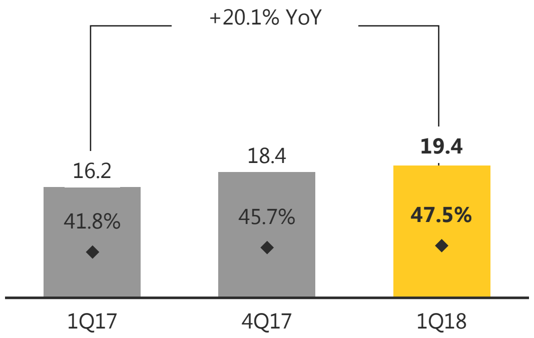
TOTAL REVENUE
(PKR BILLION)



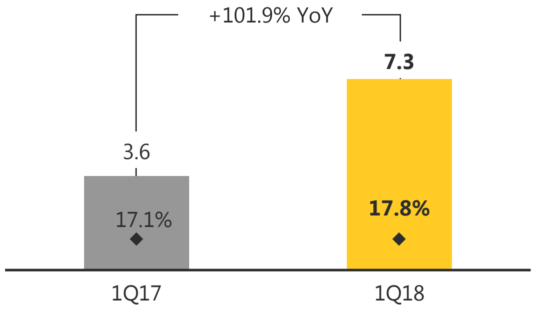
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(PKR BILLION AND %)



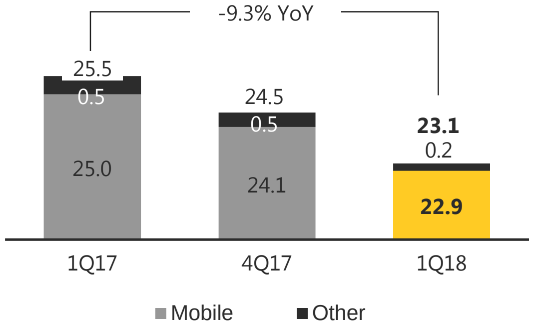
CAPEX EXCL. LICENSES
AND LTM CAPEX/REVENUE
(PKR BILLION AND %)



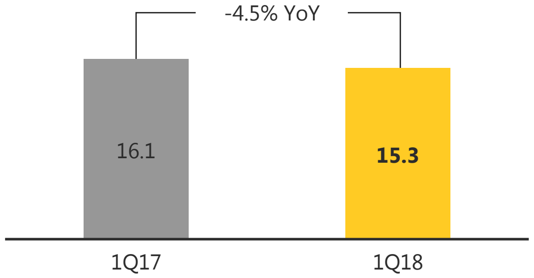
- Continued revenue YoY growth in Q1, despite the competitive market conditions, fuelled by strong data revenue growth (+34% YoY)
  - Positive impact from enabled 3G for ex-Warid and 4G/LTE for ex-Mobilink customers after completion of network integration in Q4 2017
  - Customer growth along with 4G/LTE expansion
- Double digit EBITDA YoY increase due to revenue growth, synergies and phasing-out of integration costs
  - EBITDA margin expansion +5.7 p.p. YoY and +1.8p.p. QoQ
- Capex excluding licenses YoY increased to support 4G/LTE network expansion

Algeria: challenging macro and competitive environment vs. sequential customer growth

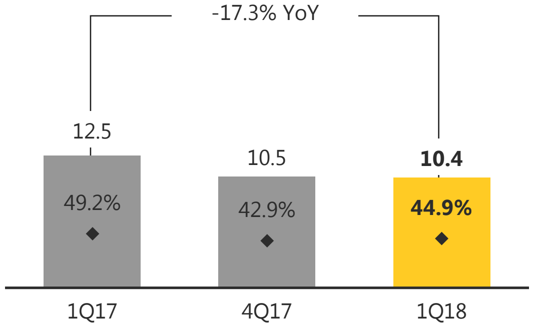
TOTAL REVENUE
(DZD BILLION)



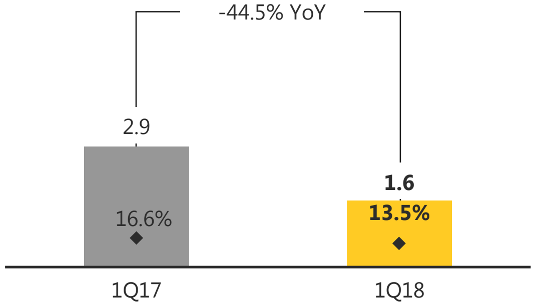
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(DZD BILLION AND %)



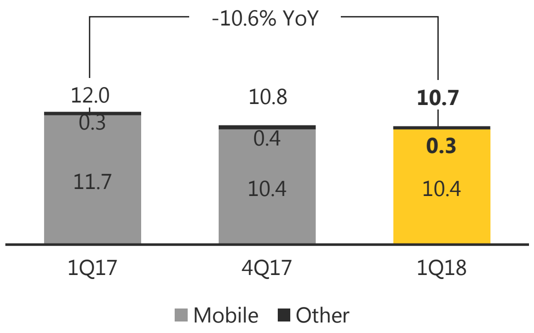
CAPEX EXCL. LICENSES
AND LTM CAPEX/REVENUE
(DZD BILLION AND %)



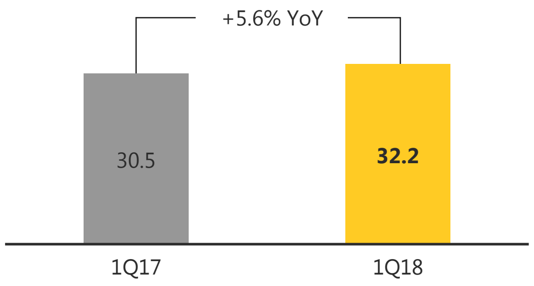
- Continuing macroeconomic and regulatory challenges
  - Economic slowdown and high inflation continue, along with import restrictions
  - New direct taxation since 1 January 2018
- Top line remains under pressure with customer base reduction YoY; however:
  - Change in customer base dynamic, +2.4% QoQ, through the success of new offers
  - Data revenue +80% YoY thanks to new commercial offers leveraging on 4G/LTE network leadership
- EBITDA decrease mainly as a result of revenue trend
  - Impact from 2018 finance law was broadly offset by positive YoY impact from partial MTR symmetry
  - However, QoQ EBITDA margin improvement

Bangladesh: continued competitive pressure impacting results, 4G/LTE successfully launched

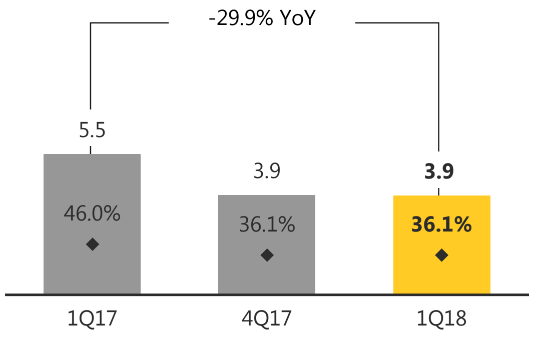
TOTAL REVENUE
(BDT BILLION)



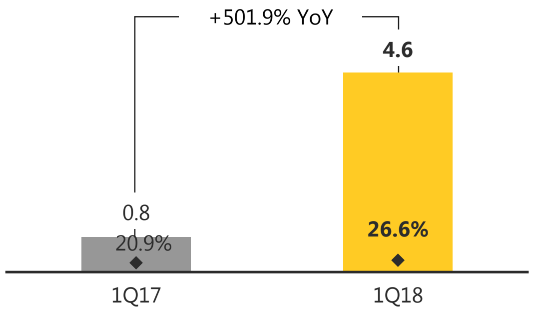
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(BDT BILLION AND %)



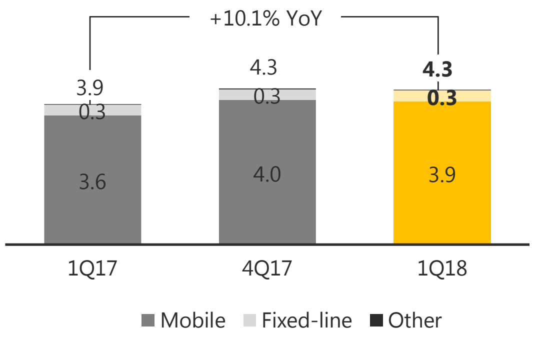
CAPEX EXCL. LICENSES
AND LTM CAPEX/REVENUE
(BDT BILLION AND %)



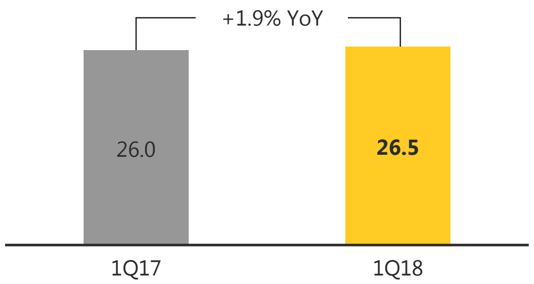
- Banglalink acquired additional spectrum in the 1800 and 2100 MHz bandwidth and 4G/LTE license
  - 4G/LTE launched in February, roll-out gaining pace with current population coverage at ~12%
- Revenue YoY trend deteriorated due to continued competitive pressure; however:
  - Customer growth (+5.6% YoY) supported by improved distribution (11,000 new outlets)
  - Data revenue +8% YoY, with acceleration of data customer growth at 21% YoY and doubled YoY data usage
- EBITDA decline due to revenue trend, customer acquisition costs and opex related to network expansion (e.g. maintenance, leasing, utilities)
  - However, EBITDA margin flat QoQ
- Capex increase driven by investments to improve network resilience and 4G/LTE sites roll-out

Ukraine: sustained strong data and ARPU performance alongside 4G/LTE launch

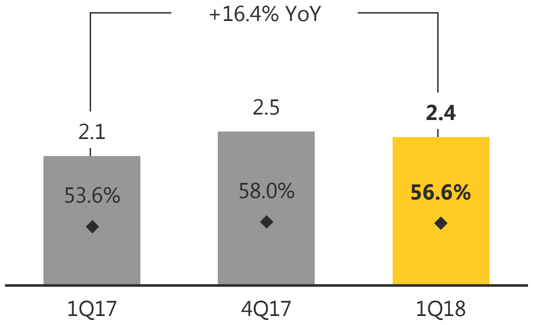
TOTAL REVENUE
(UAH BILLION)



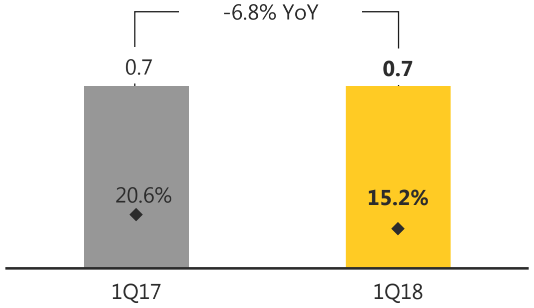
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(UAH BILLION AND %)



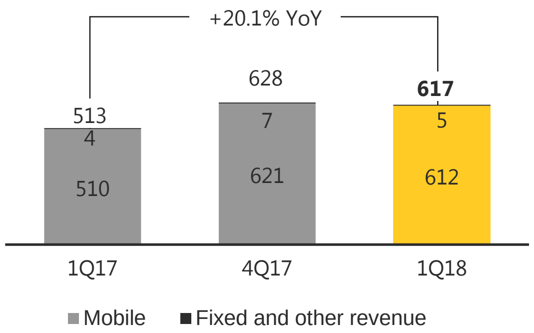
CAPEX EXCL. LICENSES
AND LTM CAPEX/REVENUE
(UAH BILLION AND %)



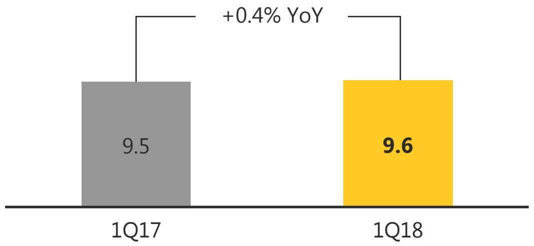
- Kyivstar secured 4G/LTE license in the 2,600 MHz and 1,800 MHz bandwidth and launched 4G/LTE from April 2018
- Improved churn driving customer growth
- Mobile service revenue growth of 11% YoY, mainly driven by data revenue growth of 59%
  - ARPU increased by 8.5% YoY
- Fixed-line service revenue stable YoY
- EBITDA increased 16% YoY driven by revenue growth, leading to an EBITDA margin of 56.6%
- 3G population coverage reached 74.5%

Uzbekistan: strong revenue growth, tax and cost pressure impacting EBITDA margin

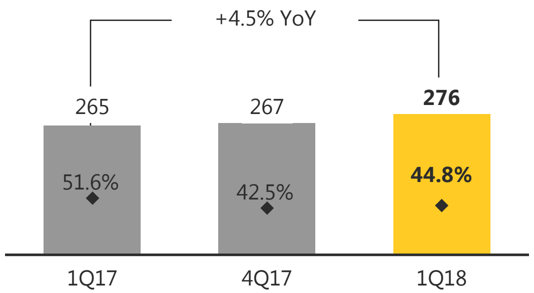
TOTAL REVENUE
(UZS BILLION)



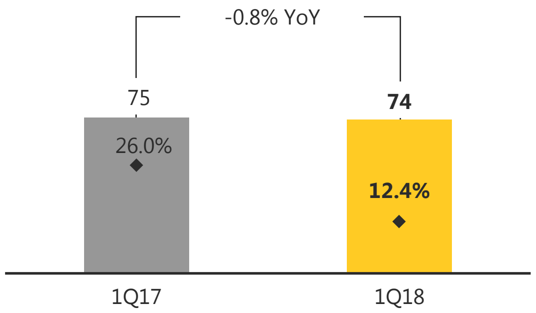
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN[1]
(UZS BILLION AND %)



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

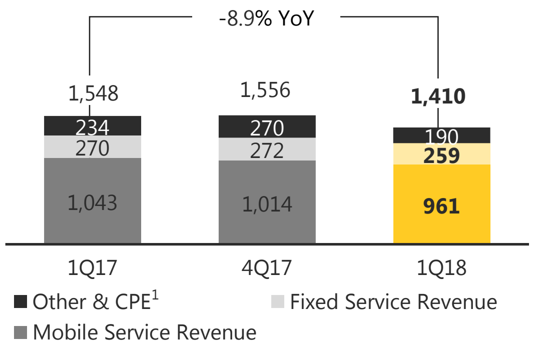


- Revenue grew 20.1% YoY driven by increased tariffs, which were fixed at the foreign exchange rate of UZS 4,210 to the US dollar after the liberalization of the Uzbek som on 5 September 2017
- Mobile data revenue increased 38.9% YoY
- EBITDA increased by 4.5% YoY, driven by revenue growth, partially offset mainly by non-controllable costs (e.g. customer tax increase)
- EBITDA margin decreased 6.7p.p. to 44.8%. The increased customer tax negatively impacted EBITDA margin by 8.5 p.p. YoY
- 4G/LTE population coverage increased to 23%, from 8% in Q1 2017
- Spectrum reallocated among all operators as per April 2018. No material impact expected

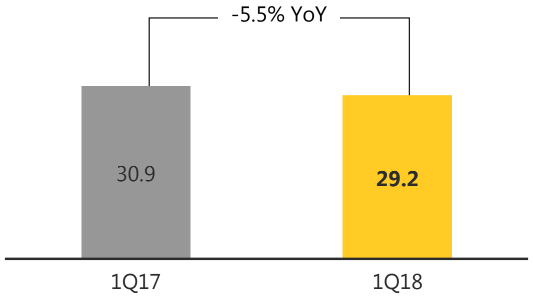
Italy: continued competitive pressure weighs on top-line

VEON

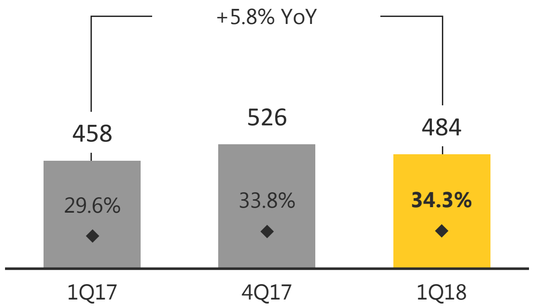
TOTAL REVENUE
(EUR MILLION)



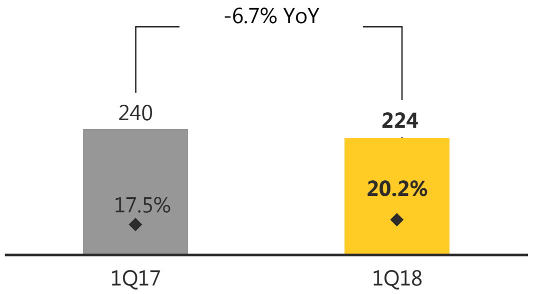
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN [2]
(EUR MILLION AND %)



CAPEX[2] EXCL. LICENSES
AND LTM[3] CAPEX/REVENUE
(EUR MILLION AND %)



- Service revenue -7.1% YoY, of which:
  - Mobile service revenue -7.8% YoY, mainly due to continued competitive pressure in the market, reflected by customer base and ARPU (-1.8%) trends
  - Fixed service revenue -4.2% YoY mainly due to ARPU reduction (-3.9%) in a competitive market, only partially compensated by increase of direct customer base (+1.4%)
- Other & CPE[1] revenue decline mainly due to CPE[1], due to lower gross additions and more selective mobile customer scoring introduced in H2 2017
- EBITDA[2] increased by 5.8% YoY, benefitting from:
  - +4.1% due to change in accounting (IFRS 15)
  - Incremental synergies (EUR 37 million in 1Q 2018)
  - Lower YoY integration costs
- Contribution to VEON P&L of USD 130 million loss for 1Q18

[1] CPE = Customer Premises Equipment
[2] EBITDA and Capex figures are in line with Wind Tre statutory reported financial schemes: 2018 compliant with IFRS 15 and 2017 compliant with IAS 18. For comparison purposes: 1Q 2018 EBITDA under IAS 18 would have been 465 EUR million; 1Q 2018 CAPEX under IAS 18 would have been 205 EUR million. EBITDA negatively impacted by integration costs of ~EUR 59 million in 1Q 2017 and of ~EUR 25 million in 1Q 2018
[3] 1Q 2018 LTM CAPEX calculated under IAS 18
Note: starting from Q2 2017 results, minor changes in accounting policies were adopted and for a proper comparison previous period results were adjusted accordingly

Q1 2018 income statement

VEON

USD MILLION

	1Q18	1Q17	Reported YoY	Organic[1] YoY
Revenue	**2,250**	**2,281**	**(1.4%)**	**3.2%**
Service revenue	2,156	2,202	(2.1%)	2.9%
EBITDA	**854**	**861**	**(0.8%)**	**6.3%**
Depreciation, amortization and other	(492)	(516)	(4.6%)	
Operating Profit	**362**	**345**	**5.0%**	
Net financial income and expenses	(198)	(194)	(2.0%)	
Net FOREX and other gains	3	79	n.m.	
Share of loss from joint ventures and associates	(130)	(100)	n.m.	
Profit before tax	**37**	**130**	**n.m.**	
Tax	(119)	(141)	n.m.	
Loss from continued operations	**(82)**	**(11)**	**n.m.**	
Profit from discontinued operations	**-**	**-**	**n.m.**	
Non-controlling interest	**(27)**	**6**	**n.m.**	
Net (loss) attributable to VEON shareholders	**(109)**	**(4)**	**n.m.**	

- EBITDA decreased 0.8% YoY to USD 854 million due to currency devaluation in Uzbekistan and Pakistan, and Euroset integration costs
- Operating profit increased YoY mainly due to lower depreciation, driven by the classification of Pakistan towers as assets held for sale and the depreciation of Uzbek som
- Net financial income and expenses were broadly stable YoY as the increase in debt was offset by lower interest rates
- Decrease in net FOREX and other gains is primarily attributable to lower appreciation of the Russian rouble compare to Q1 2017
- The share of loss of joint ventures and associates increased to USD 130 million in Q1 2018 compared to a loss of USD 100 million in Q1 2017. In Q1 2017, 50% of the net loss in the Italy joint venture was USD 271 million, with a positive PPA adjustment at VEON of USD 182 million. In Q1 2018, 50% share of the net loss was USD 102 million, with a negative PPA adjustment at VEON of USD 27 million
- Decrease in income tax expense to USD 119 million is mainly driven by lower profitability in countries with a higher nominal rate and a one-off deferred tax expense recorded in Q1 2017

[1] Organic change is a non-IFRS measure and reflects changes in revenue and EBITDA. Organic change excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. In Q1 2018 organic growth is calculated at constant currency and excludes the impact from Euroset transaction. See attachment in Earnings release for reconciliations

Cash flow reconciliation table

USD MILLION

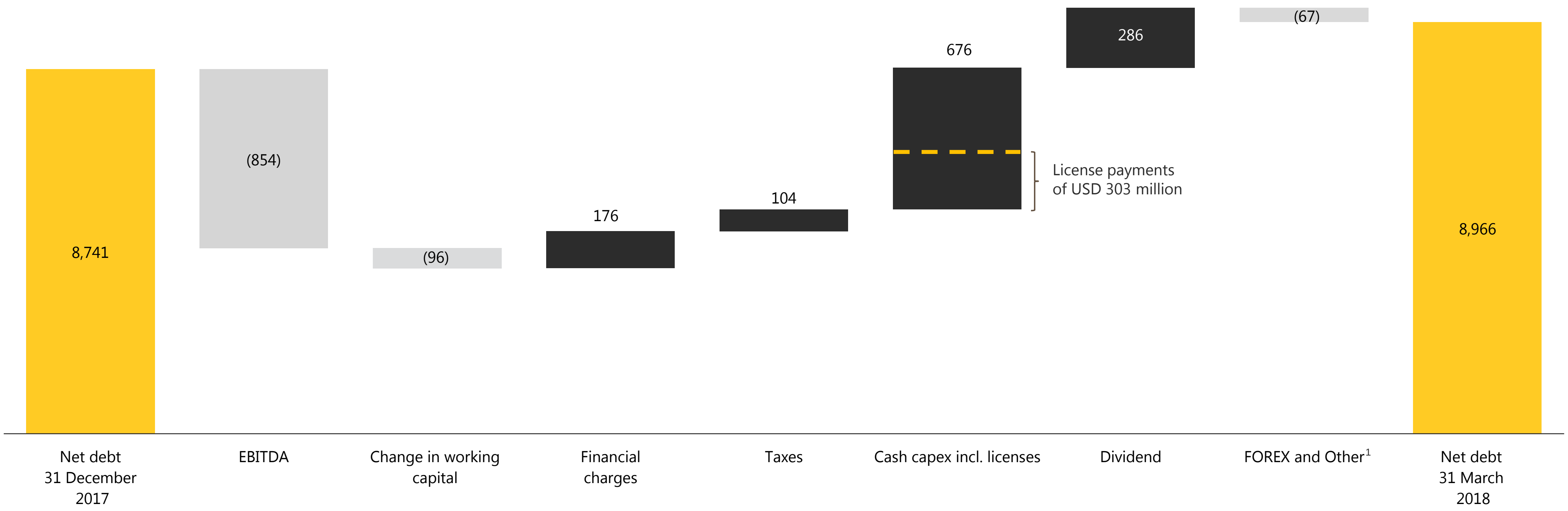
	1Q18	1Q17	YoY
EBITDA	**854**	**861**	**(0.8%)**
Changes in working capital	96	108	(11.1%)
Movement in provisions	32	(66)	n.m.
Net interest paid-received	(176)	(193)	(8.8%)
Income tax paid	(104)	(126)	(17.5%)
Cash flow from operating activities (excl. discontinued operations)	**702**	**584**	**20.1%**
Capex excl.licenses	(355)	(263)	34.5%
Working capital related to Capex excl. licenses	(17)	(217)	n.m.
Proceeds from sale of PPE	4	2	100%
Equity Free Cash Flow	**334**	**106**	**216%**

- The year on year movement in provisions is mainly due to payment of USD 69 million related to Iraqna claim in Q1 2017 and accrual for severance costs in Q1 2018

- Increase in capex excluding licenses driven by 4G/LTE roll-out and more equal quarterly distribution in 2018 compared to 2017
- Capex related working capital improvement driven by lower capex in Q4 2017 compared to Q4 2016

Q1 2018 net debt development

USD MILLION



NET DEBT / EBITDA	2.4x	2.5x

Increase of debt due to dividend and spectrum payments of USD 589 million

[1] FOREX and Other consists of other investing activities and other items

FY 2018 targets confirmed

	Q1 2018 actual	FY 2018 targets[3]
Total revenue	3.2% organic growth[1]	Flat-to-low single digit organic growth
EBITDA	6.3% organic growth[1]	Flat-to-low single digit organic growth
Equity free cash flow[2]	USD 334 million	USD ~1 billion

- FY 2018 equity free cash flow target is calculated at 2018 target currency rates

[1] Organic change is a non-IFRS measure and reflects changes in revenue and EBITDA. Organic change excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. In Q1 2018 organic growth is calculated at constant currency and excludes the impact from Euroset transaction. See attachment Earnings release for reconciliations

[2] Equity free cash flow is a non-IFRS measure and is defined as free cash flow from operating activities less cash flow used in investing activities, excluding M&A transactions, capex for licenses, inflow/outflow of deposits, financial assets and other one-off items

[3] FY 2018 revenue and EBITDA targets calculated on organic basis. Organic growth reflects changes in revenue and EBITDA. Organic change excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. Major exceptional items currently known are the impact from the Uzbekistan currency liberalization, the Pakistan tower transaction (Deodar), the Euroset transaction and the one-off adjustment to a vendor agreement. FY 2018 equity free cash flow target is calculated at 2018 target currency rates. For FY 2018 target currency rates, see appendix

VEON

Appendix

IFRS 9 and IFRS 15: 2018 impact for VEON

VEON

IFRS 9

- The scope of IFRS 9 includes new guidance to classify financial instruments on the balance sheet
- VEON introduced the concept of Expected Credit Losses ("ECL"), where a bad debt provision is required for all debt-like instruments including unbilled receivables. VEON recognized the additional bad debt provision in amount of USD 14 million (pre-tax)
- For the Italy JV, the impact on adoption of IFRS 9 amounted to USD 35 million (i.e. recorded as a reduction of the investment value in 2018 against opening equity)
- The overall impact on opening equity upon adoption of IFRS 9 is USD 45 million (USD 41 million attributable to shareholders of the parent and USD 4 million to NCI)

IFRS 15

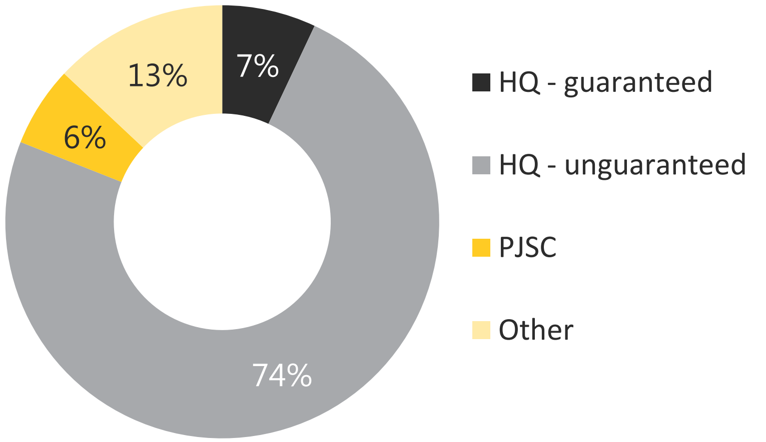
- The scope of IFRS 15 includes the timing of revenue recognition and costs of obtaining contracts with customers
- No material impact in the accounting for revenues, based on existing product and service offerings
- Costs incurred acquiring new customers are now required to be capitalized and amortized over the average customer life
- The additional asset stemming from capitalization of these costs was USD 93 million (pre-tax) at 1 January 2018 (i.e. one-off gain to retained earnings in 2018)
- For the Italy JV, the impact on adoption of IFRS 15 amounted to USD 38 million post tax (i.e. recorded as an increase in investment value in 2018 against opening equity)
- The overall impact on opening equity upon adoption of IFRS 15 is USD 102 million (USD 87 million attributable to shareholders of the parent and USD 15 million to NCI)

The Group is in the process of assessing the impact of IFRS 16, which may be material

Group debt structure

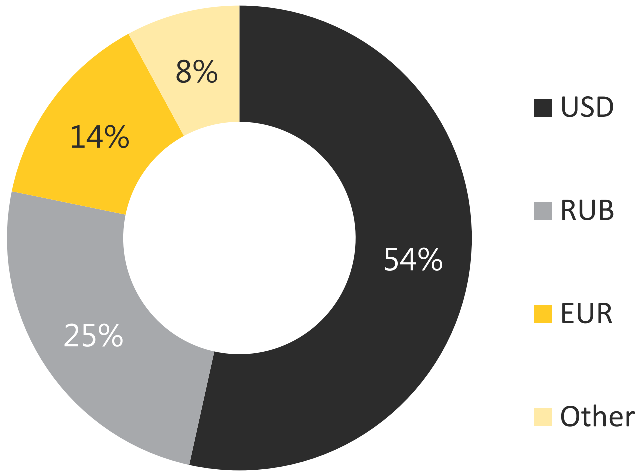
AS AT 31 MARCH 2018

Group debt structure



Gross Debt
USD 10.4billion

Group debt currency mix[1]



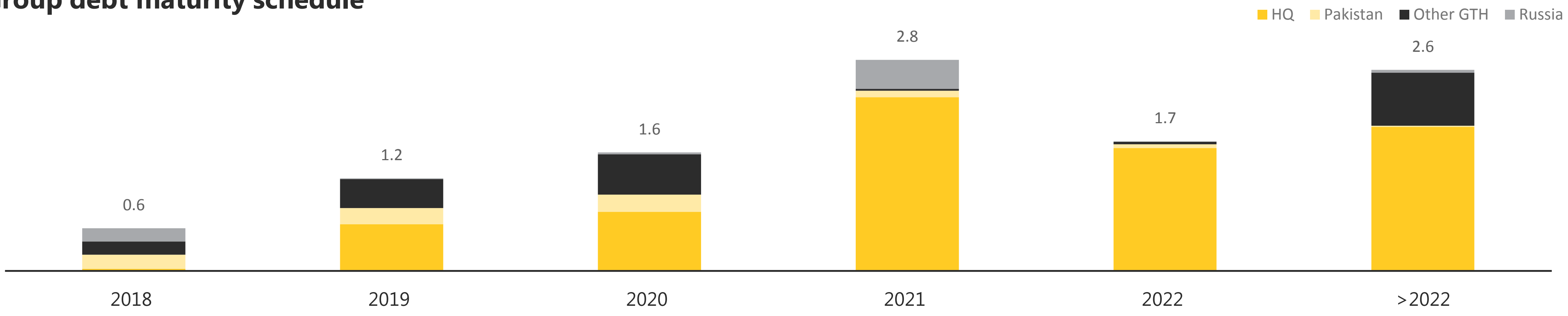
- Average cost of debt: 6.6% (31 March 2017: 7.3%)
- Average maturity: 3.8 years (31 March 2017: 3.1 years)

[1] Including effect of cross currency swaps

Group debt maturity schedule

AS AT 31 MARCH 2018,
USD BILLION

Group debt maturity schedule



Group debt maturity schedule by currency[1]

	2018	2019	2020	2021	2022	>2022	
USD	0.3	1.0	0.6	0.4	0.7	2.6	54%
RUB	0.0	0.0	0.5	1.2	0.8	0.0	25%
EUR	0.0	0.0	0.2	1.0	0.1	0.0	14%
PKR	0.1	0.2	0.1	0.1	0.0	0.0	6%
OTHER	0.1	0.1	0.0	0.0	0.0	0.0	2%

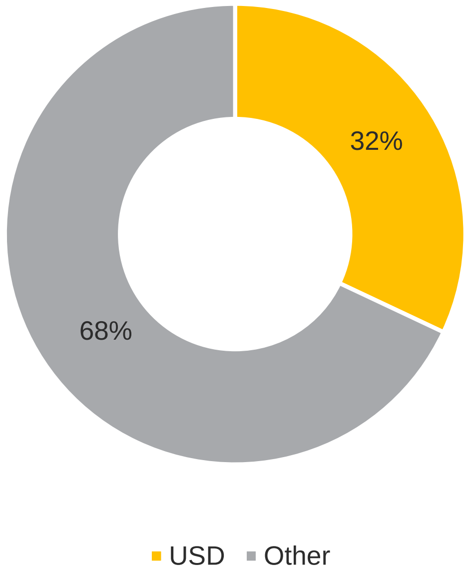
[1] Including effect of cross currency swaps. Principal amount of Group debt taking into account cross-currency swaps is equivalent to USD 10,459 million.

Liquidity overview

VEON

Group cash breakdown by currency

31 MARCH, 2018



Group cash: USD 1.4 billion

Unused RCF headroom at the end of Q1 2018:

VEON – syndicate	USD 1.69 billion

Unused CF headroom at the end of Q1 2018:

VEON – Sberbank	RUB 15 billion (USD 0.26 billion)
Pakistan – credit facilities	PKR 15 billion (USD 0.13 billion)
Banglalink – syndicated TL facility	BDT 20 billion (USD 0.24 billion)

Total cash and unused committed credit lines: USD 3.7 billion

Debt by entity

AS AT 31 MARCH 2018,
USD MILLION

Outstanding debt	Type of debt			
Entity	**Bonds**	**Loans**	**Other**	**Total**
VEON Amsterdam B.V.	-	210	-	210
VEON Holdings B.V.	3,682	3,261	-	6,943
GTH Finance B.V.	1,200	-	-	1,200
GTH	-	98	-	98
PJSC VimpelCom	562	-	60	622
Pakistan Mobile Communications Limited	35	742	-	777
Banglalink Digital Communications Ltd.	300	113	-	413
Optimum Telecom Algérie S.p.A.	-	131	-	131
Others	-	-	8	8
Total	**5,779**	**4,555**	**68**	**10,402**

Forex

	Target rates	Average rates			Closing rates		
	FY 2018	**1Q18**	**1Q17**	**YoY**	**1Q18**	**1Q17**	**YoY**
Russian ruble	60.00	56.88	58.84	(3.3%)	57.26	56.38	1.6%
Algerian dinar	110.00	114.08	109.93	3.8%	114.14	110.07	3.7%
Pakistan rupee	105.00	111.41	104.79	6.3%	115.71	104.83	10.4%
Bangladeshi taka	79.00	83.08	79.50	4.5%	83.22	80.25	3.7%
Ukrainian hryvnia	27.00	27.32	27.06	1.0%	26.54	26.98	(1.6%)
Kazakh tenge	340.00	323.31	322.53	0.2%	318.31	314.79	1.1%
Uzbekistan som	8,748	8,156.68	3,352.90	143.3%	8,114.86	3,595.02	125.7%
Armenian dram	480	481.52	485.63	(0.8%)	480.06	483.45	(0.7%)
Kyrgyz som	70.00	68.50	69.25	(1.1%)	68.43	68.61	(0.3%)
Georgian lari	2.40	2.49	2.60	(4.5%)	2.41	2.45	(1.3%)

Forex YoY impact on Revenue and EBITDA

	Revenue	EBITDA
	Q1 2018	**Q1 2018**
Russia	38	15
Algeria	(7)	(3)
Pakistan	(23)	(10)
Bangladesh	(6)	(1)
Ukraine	(2)	(1)
Uzbekistan	(108)	(48)
Other	0	(2)
Total	**(107)**	**(51)**