

Creating Value in Africa & Asia

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Leading market positions in A&A

- Growth potential throughout Africa & Asia due to relatively low penetration rates
- Maintained leading market positions in main markets
- Expanding mobile data and VAS revenues
- Network CAPEX and OPEX efficiency by modernizing networks
- Cost optimization



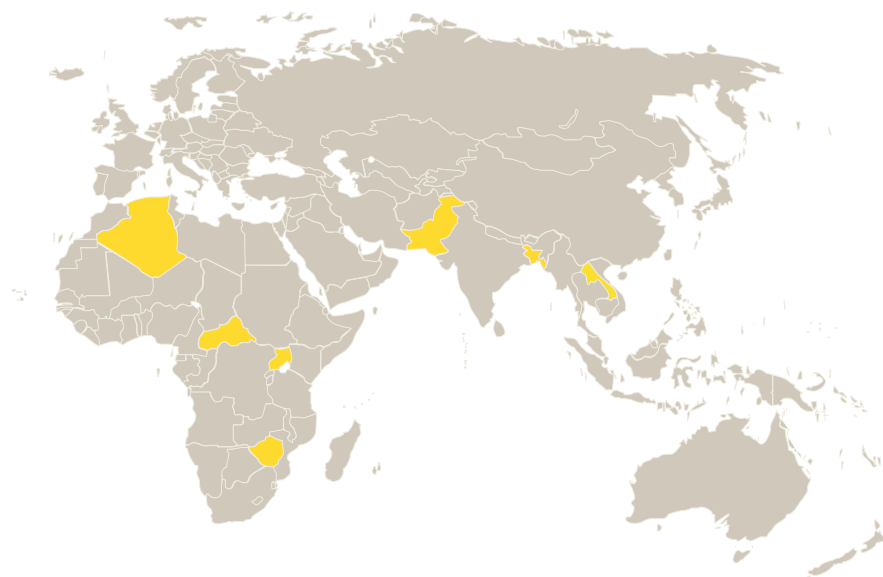
Market leadership in large underpenetrated markets

Geographic footprint¹

Total
population:
430 million

Average
penetration:
60%

Average
GDP/capita:
USD 2,900



Competitive landscape and market trends

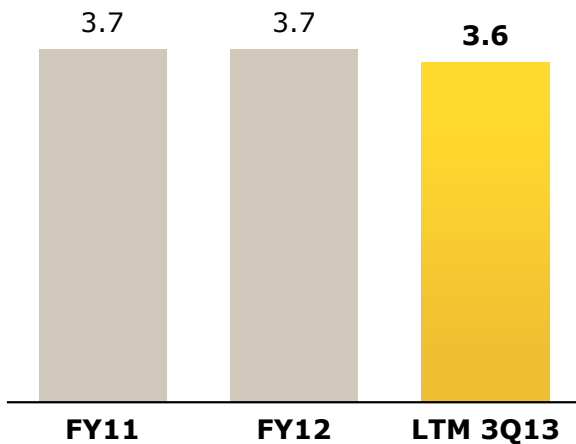
- VimpelCom operates in 7 countries with low levels of mobile penetration and high potential for mobile data services
- **Algeria:** Despite limitations, **Djezzy** remains a profitable market leader with significant mobile data potential
- **Pakistan:** **Mobilink** leads the market, and has great potential for revenue growth through mobile data, MFS and VAS
- **Bangladesh:** In a large market with low penetration levels, **banglalink** is a leading operator with strong focus on increasing value share in a rapidly growing market

¹ Source: CIA Factbook. Mobile penetration is based on subscriber figures and market share as at September 30, 2013
Geographic footprint: Algeria, Pakistan, Bangladesh, Central African Republic, Burundi, Laos and Zimbabwe (not consolidated)

Delivering profitable growth in BU Africa & Asia

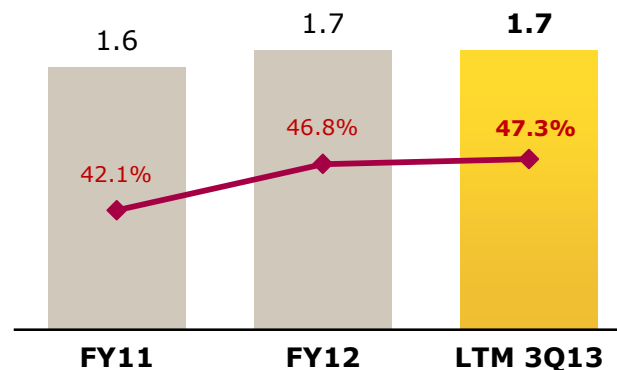
Revenues

(USD billion)



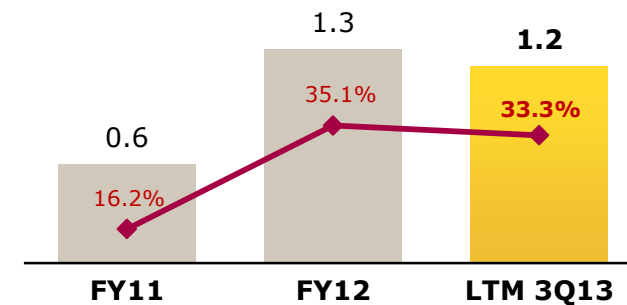
EBITDA and EBITDA margin

(USD billion)



Cash flow, cash flow margin¹

(USD billion)



¹ Cash flow is EBITDA less CAPEX

Djezzy - Overview



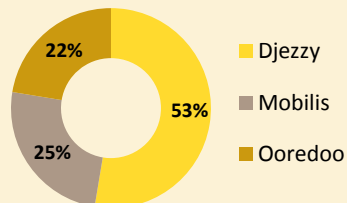
Population¹: 38 million
GDP/capita¹: USD 7,600

Market size²: 32.4 million
Penetration²: 85%

Market players (subs):

- Djezzy (17.0 million)
- Mobilis (8.1 million)
- Ooredoo (7.3 million)

Market shares³



Macro environment

- GDP growth for FY 2012/2013 of ~2.5%
- Government, trade and agricultural sectors account for over 60% of GDP
- 28% of the population is under 15 years old
- Presidential elections expected to commence in April 2014

Competitive landscape

- **Djezzy:** high brand perception with solid market leadership with high control over distribution
- **Mobilis:** incumbent operator maintained by the government, has a strong relationship with the regulator and has been very active on the commercial front lately
- **Ooredoo:** seen as a multimedia operator that offers lower prices, more promotions, subsidies and higher incentives to the retail channel

Regulatory environment

- Djezzy continues to face stringent conditions from regulator regarding promotions and products
- Djezzy awarded a 3G license in December 2013 and received an exceptional approval from the Bank of Algeria for foreign payments for 3G equipment
- Government plans to list 10 public companies on ASE, including Mobilis

Strategic direction

- Launch 3G services targeting high value data users
- Maintain leadership in customer experience and NPS
- Emphasize Djezzy as the preferred Algerian mobile brand while launching 3G
- Maintain a solid network performance from 3G roll out and 2G network modernization and expansion

¹ CIA Factbook

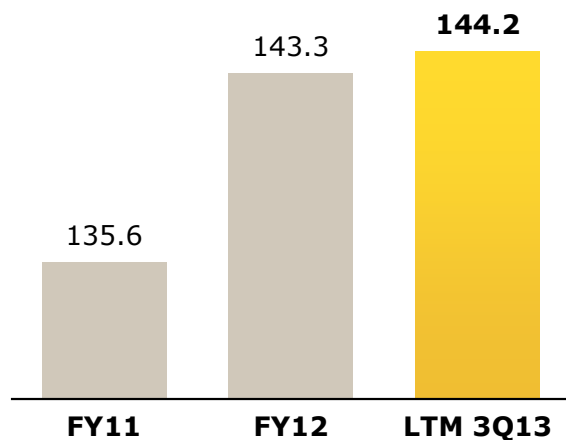
² Penetration figures are provided based on OTA closing base and our data warehouse (DWH) figures for competition

³ DWH market share

Djezzy - Resilient market leadership despite limitations

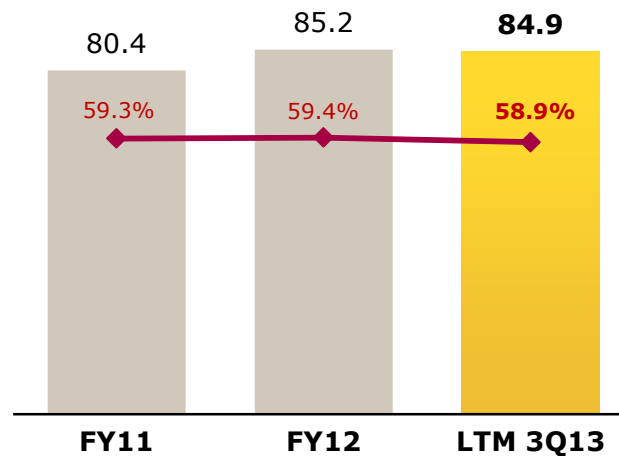
Revenues

(DZD billion)



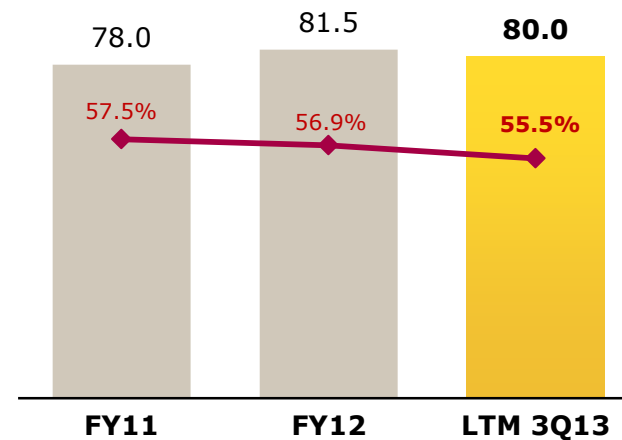
EBITDA and EBITDA margin

(DZD billion)



Cash flow, cash flow margin¹

(DZD billion)



¹ Cash flow is EBITDA less CAPEX

Mobilink - Overview



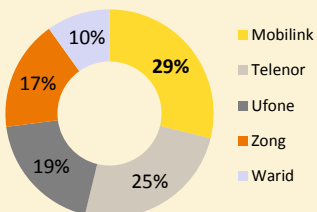
Population¹: 193 million
GDP/capita¹: USD 2,900

Market size²: 129.6 million
Penetration: 53%

Market players (subs):

- Mobilink (37.4 million)
- Telenor (32.3 million)
- Ufone (24.8 million)
- Zong (22.3 million)
- Warid (12.8 million)

Market shares²



Macro environment

- GDP growth for FY 2012/2013 of ~3.7%
- Continued devaluation of the Rupee against the USD
- Power shortfalls persist
- 34% of the population under 15 years old
- New government elected and in place since May 2013, working on achieving political stability and economic reform

Competitive landscape

- **Mobilink:** market leader in a five player market
- **Telenor:** value-driven operator with strong market position via youth, mobile data offers and MFS
- **Ufone:** positive mass market perception and aggressive pricing strategy
- **Zong:** aggressive on pricing and market share gain
- **Warid:** conducting due diligence to exit the market

Regulatory environment

- New PTA chairman appointed in 4Q13
- 3G auction process reinitiated by the government
- Government increased withholding tax on recharge to 15% and also increased commercial electricity tariffs by 30% effective October 1, 2013
- Trends of fewer forced network shutdowns

Strategic direction

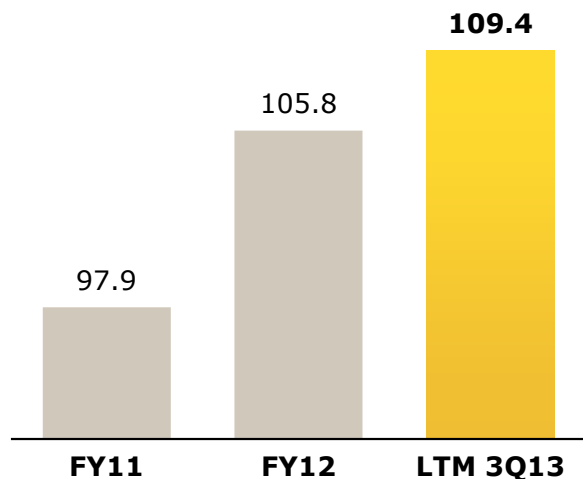
- Continued focus on network modernization to achieve 3G readiness
- Further enhance operational excellence initiatives
- Retain leadership in mobile data
- Capture market opportunity in MFS
- Enhance customer experience through better quality of service

¹ CIA Factbook

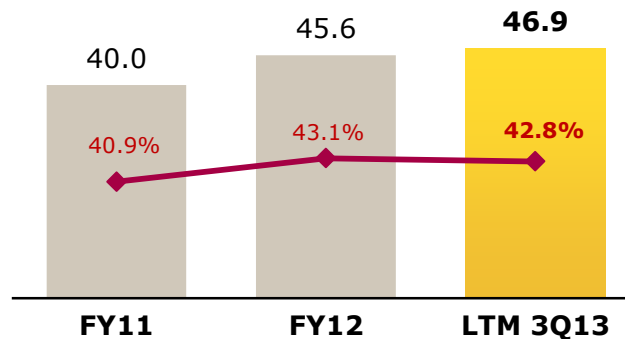
² Market share as provided by the regulator as of September 30, 2013

Mobilink - Steady growth and successful cost savings initiatives

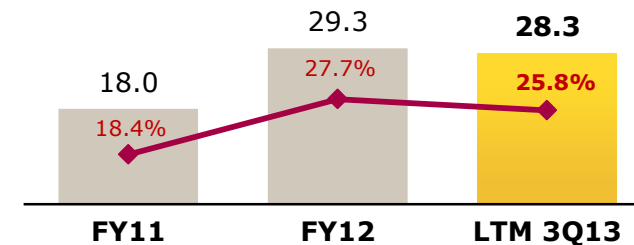
Revenues (PKR billion)



EBITDA and EBITDA margin (PKR billion)



Cash flow, cash flow margin¹ (PKR billion)



¹ Cash flow is EBITDA less CAPEX

banglalink - Overview



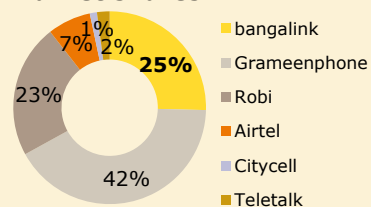
Population¹: 164 million
GDP/capita¹: USD 2,100

Market size³: 110.7 million
Penetration²: 68%

Market players (subs):

- GP (46.0 million)
- Banglalink (28.1 million)
- Robi (24.8 million)
- Airtel (8.0 million)
- CityCell (1.3 million)
- TeleTalk (2.3 million)

Market shares³



¹ CIA Factbook

² Penetration figures are provided based on BTRC published figures

³ BTRC market share

Macro environment

- GDP growth for FY 2012/2013 of ~6%
- The world's highest population density
- 33% of the population under 15 years old
- BDT continued to appreciate against the USD
- Elections and political instability

Competitive landscape

- **banglalink:** 2nd in a six player market with an innovative brand positioning among youth segment
- **Grameenphone:** largest network, perceived as best in quality and coverage
- **Robi:** aggressive on prices and communication
- **Airtel:** mainly focused on youth
- **CityCell:** CDMA operator
- **TeleTalk:** Run by national fixed incumbent BTCL

Regulatory environment

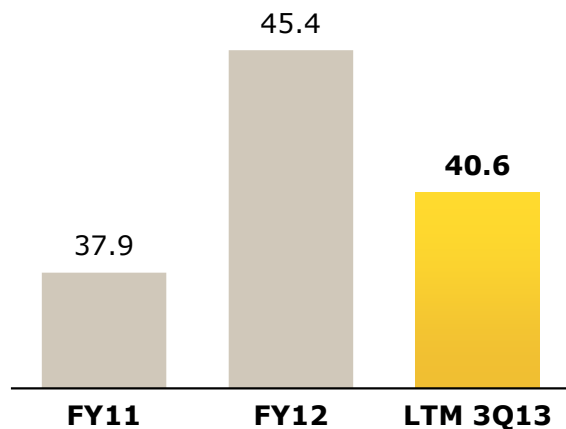
- Four 3G licenses were awarded in September 2013 during an auction for 8 blocks of spectrum, each consisting of 5 MHz (uplink and downlink). 5 of the 8 blocks were awarded
- **banglalink** launched 3G services in October 2013
- The government reduced SIM tax to BDT 300 from BDT 606 during 2Q13

Strategic direction

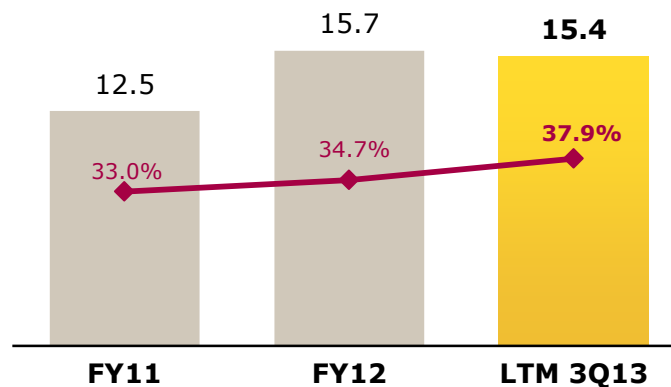
- Capitalize on introduction of 3G and maximize revenue from mobile data segment
- Improve Revenue Market Share
- Grow beyond the core and expand on MFS and VAS fronts
- Maintain price leadership strategy
- Focus on spectrum optimization, network sharing and modernization

banglalink - Negatively impacted by regulatory and governmental actions

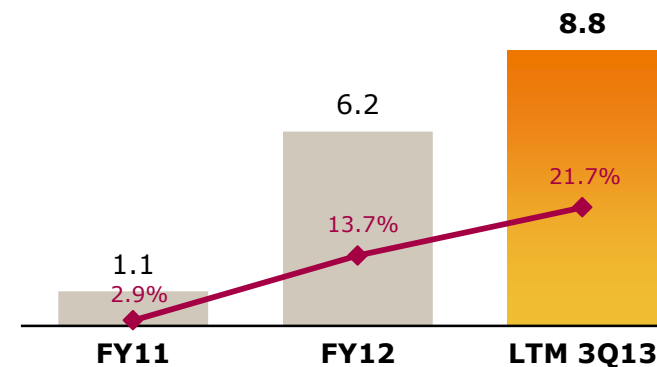
Revenues (BDT billion)



EBITDA and EBITDA margin (BDT billion)



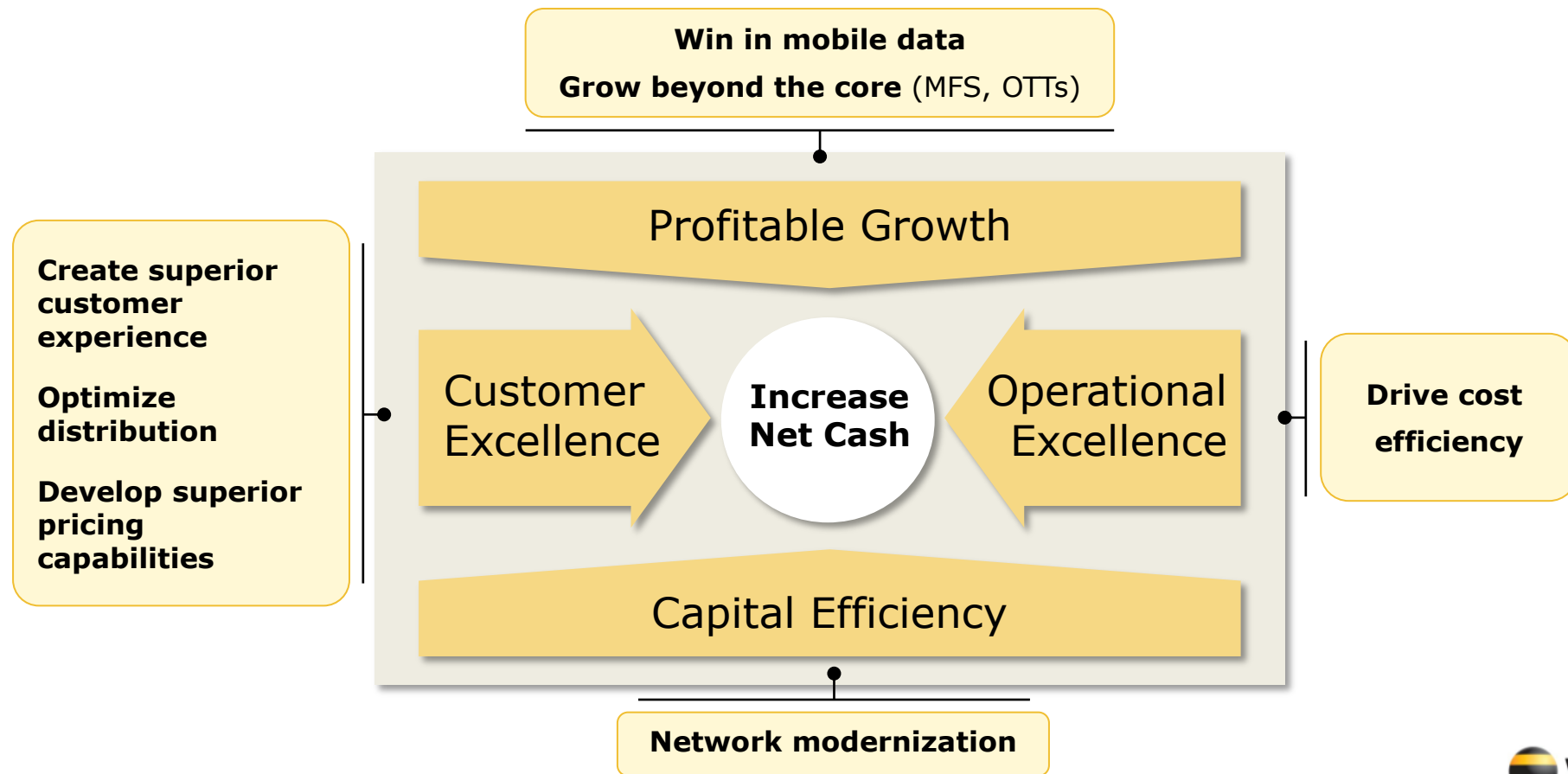
Cash flow, cash flow margin¹ (BDT billion)



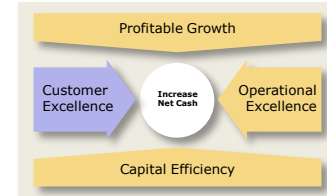
- Excluding 3G license fees

¹ Cash flow is EBITDA less CAPEX

Strategic initiatives pursued to achieve group objectives: what did A&A deliver since last A&I Conference?



Customer Excellence: enhanced leadership positions and created superior customer experience



Strategic initiative

Create superior customer experience



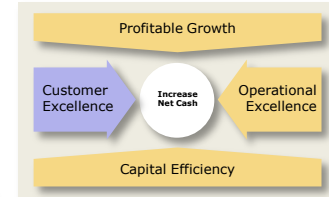
Optimize distribution



Achievements in 2013

- Created customer experience function directly reporting to OpCo CEOs
 - Top-down NPS in place in Algeria, Pakistan and Bangladesh alongside bottom-up NPS in the Customer Care Touch Points in Bangladesh and Pakistan
 - In Bangladesh, increased Below The Line ("BTL") activities for better customer engagement and launch of segment based, customized offers
 - In Algeria, continued to increase number of partners enrolled in our loyalty program
-
- In Bangladesh, launched integrated channel campaign including a restructured ARPU linked, distribution incentive scheme and attractive trade promotions
 - In Pakistan, increased the number of contracted retailers to exceed 50k
 - In Algeria, initiated cost-free channel incentives using special numbers

Customer Excellence: enhanced leadership positions and created superior customer experience



Strategic initiative

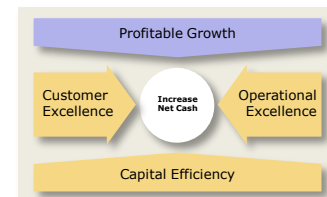
Develop superior pricing capabilities



Achievements in 2013

- In Bangladesh, pursued attractive tariff moves Above The Line ("ATL"), to maintain price leadership and perception. Concluded Intelligent Network swap with new pricing features, launch of segmented tariffs, new bundles portfolio and compelling BTL activities
- In Algeria, launched revamped corporate offers to serve the value based pricing initiative
- In Pakistan, increased effective tariffs as part of our smart pricing strategy

Profitable Growth: started to realize data potential and grow beyond the core



Strategic initiative

Win in mobile data

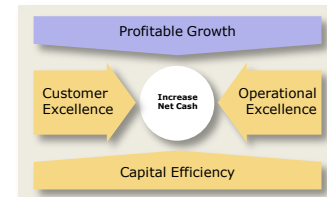


Achievements in 2013

- In Algeria, Pakistan and Bangladesh, mobile data revenue¹ showed high double digit growth rates
- In Algeria, the number of data subscribers¹ showed triple digit growth YoY, while achieving a double digit growth in Pakistan and Bangladesh
- In Bangladesh, launched Facebook zero and Wikipedia zero to drive growth of mobile data customers
- In Bangladesh, secured 3G license in September 2013, and officially launched 3G services in October 2013. Now services are available in some regions of Dhaka, Chittagong, Khulna and Sylhet
- In Algeria, received the final 3G license in December 2013 and expect to launch in 1H14

¹ Mobile data revenues and number of data subscribers as of end of September 2013

Profitable Growth: started to realize data potential and grow beyond the core



Strategic initiative

Grow beyond the core
(MFS, OTTs)



Achievements in 2013

- In Pakistan, expanded MFS through more than 23,000 POS with active promotional campaigns
- banglalink achieved double digit growth of MFS revenues by cooperating with several local banks and expanding the scope of its operations with Bangladesh Post Office in December 2013
- Partnership with OTTs (WhatsApp, Facebook zero, Wikipedia zero)



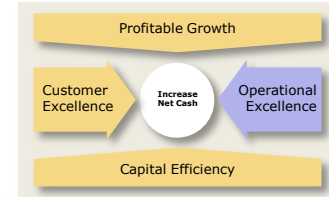
WhatsApp

facebook



WIKIPEDIA
The Free Encyclopedia

Operational Excellence: continued focus on structural costs improvements



Strategic initiative

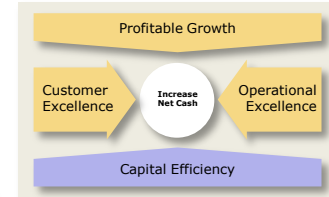
Drive cost efficiency



Achievements in 2013

- In Bangladesh, achieved 41% site sharing, outsourced 31% first line maintenance, 53% new sites installed, free cooling units installed on 69% of macro sites
- In Pakistan, marketing expenses decreased to 2.5% of revenue in 2013 compared to 3% of revenue in the previous years, despite one time activity of brand unification and rebranding. On the technical front, we are starting to realize benefits of network swap and modernization project
- In Algeria, initiated a local spare parts repair center and re-usage/recharge of site batteries, resulting in CAPEX and OPEX savings

Capital Efficiency: leveraged group size to achieve capex efficiencies



Strategic initiative

Network modernization

3G



Achievements in 2013

- In Algeria, maintained network quality leadership despite regulatory restrictions
- Following receipt of necessary approvals from the Algerian authorities in 4Q13, Djezzy partnered with leading international vendors to develop the 3G network
- banglalink's network modernization program was awarded to leading international vendors and is progressing on track
- In Pakistan, a full network modernization and swap program is on track

Focus in 2014: Customer Excellence

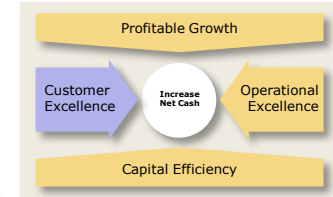
Develop superior pricing capabilities

- Drive adoption of commitment based/bundle packages
- Target high value and youth segments with segmented offers. Revamp corporate and SME tariffs
- Increase value gain by exploring price increase options while optimizing network loads
- Implement periodic acquisition offers to support gross additions
- Leverage Intelligent Network features and capabilities
- Increase network utilization in low utilization areas and time windows by location and traffic-based pricing

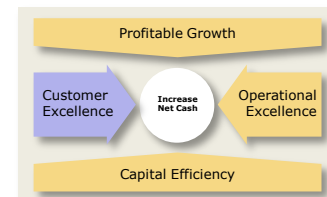


Improve customer experience

- Build customer experience toolkits for own shops, Call Centers / Customer Based Management
- Implement digital media communication strategy and link social media interaction with customer care
- Develop in-depth customer profiles using state-of-the-art analytics
- Focus on customer experience by creating a customer experience management department
- Development of new distribution channels
- Enhance tools for monitoring customer network quality experience
- Bottom-up NPS and improve customer experience team



Focus in 2014: Customer Excellence

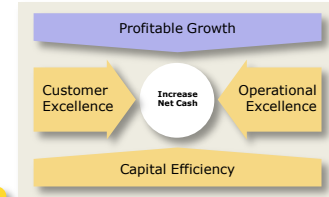


Optimize distribution network

- Develop sales structure to better align segment needs, launch a commission scheme for 3G
- Develop new regional warehouses to improve distribution
- Restructure indirect sales team and their incentive system to improve performance
- Ensure higher sales from retail channels by footprint expansion and introduction of retail loyalty programs to support sales
- Increase reach through more effective channel management
- Avoid commission arbitrage



Focus in 2014: Profitable Growth



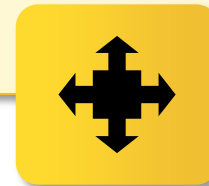
Win in mobile data

- In Algeria, launch 3G services in 14 Wilayas (provinces) and offer attractive mobile data promotions starting from 1H14
- Djezzy as application start-ups incubator, to create a mobile data ecosystem
- Leverage OTT and other partnership deals and focus on popular/regional content and mobile applications. Develop specific pricing structure for 2G and 3G
- Introduce 3G services and bundle offers

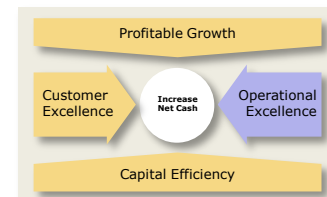


Growth beyond the core (MFS, OTTs)

- New revenue growth levers: MFS and ICT
- Drive VAS penetration by introducing campaign management solution for upselling
- Pursue MFS through completion of product portfolio
- Ensure the activity of agents by managing liquidity in the market
- Development of pricing structure and retail distribution
- Expand partnerships with banks and utility companies and launch banglalink's MFS portal



Focus in 2014: Operational Excellence

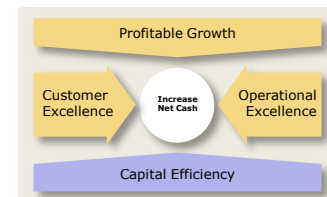


Drive operational excellence

- Drive Network and IT efficiency through free cooling and power saving, data center consolidation
- Increase outsourcing efficiency
- Focus on network modernization and IT excellence
- Technical warehouse optimization
- Commission structure optimization and renegotiation of IT contracts



Focus in 2014: Capital Efficiency



Increase network sharing

- In Pakistan and Bangladesh, enhance infrastructure sharing and outsourcing to improve CAPEX/OPEX
- Set targets for local technical teams for site sharing percentages on the new rollout sites
- Rollout of 3G sites in Algeria, Pakistan and Bangladesh
- Leverage group size in procurement



Conclusion

- Significant mobile data opportunities through the deployment of 3G services
- Growth potential due to relatively low penetration rates
- Defend market leadership in Algeria and Pakistan
- Continued focus on profitable growth and cost saving initiatives
- Network modernization continues to be one of the main pillars
- Growth beyond the core (especially MFS in Pakistan and Bangladesh)

Creating value in Africa & Asia

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