

Unaudited interim condensed
consolidated financial statements

Open Joint Stock Company "Vimpel-Communications"

(a wholly-owned subsidiary of VimpelCom Ltd.)

for the three and six months ended 30 June 2014

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Contents

Independent Auditor's Report.....	1
Interim consolidated income statements for the three and six months ended 30 June 2014 and 2013	3
Interim consolidated statements of comprehensive income for the three and six months ended 30 June 2014 and 2013.....	4
Interim consolidated statements of financial position as of 30 June 2014 and 31 December 2013	5
Interim consolidated statements of changes in equity for the three months ended 30 June 2014 and 2013.....	6
Interim consolidated statements of changes in equity for the six months ended 30 June 2014 and 2013.....	7
Interim consolidated statements of cash flows for the six months ended 30 June 2014 and 2013	8
Notes to the unaudited interim condensed consolidated financial statements	
1. General information.....	9
2. Basis of the interim condensed consolidated financial statements.....	9
3. Seasonality of operations.....	11
4. Segment information	11
5. Income taxes	12
6. Property and equipment.....	13
7. Intangible assets and goodwill	13
8. Financial assets and liabilities.....	14
9. Other non-financial assets and liabilities.....	18
10. Cash and cash equivalents	19
11. Dividends.....	19
12. Related parties	20
13. Commitments, contingencies and uncertainties	22
14. Events after the reporting period.....	22



Independent Auditor's Report

To the Board of Directors and Shareholders of OJSC Vimpel-Communications:

We have reviewed the accompanying interim condensed consolidated financial statements of Open Joint Stock Company Vimpel-Communications (a wholly-owned subsidiary of VimpelCom Ltd.) and its subsidiaries (hereinafter collectively referred to as “VimpelCom”), which comprise the interim consolidated statement of financial position as of 30 June 2014, and the related interim consolidated income statements, interim consolidated statements of comprehensive income and changes in equity for the three-month and six-month periods ended 30 June 2014, and the related interim consolidated statement of cash flows for the six-month period ended 30 June 2014. The accompanying interim consolidated income statements, interim consolidated statements of comprehensive income and interim consolidated statements of changes in equity for the three-month and six-month period ended 30 June 2013 and the related interim consolidated statement of cash flows for the six-month period ended 30 June 2013 were reviewed by other auditors whose report dated 9 August 2013 stated that based on their review, they were not aware of any material modifications that should be made to those statements in order for them to be in conformity with International Accounting Standard IAS 34, *Interim Financial Reporting*. The consolidated statement of financial position of VimpelCom as of 31 December 2013, and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended (not presented herein), were audited by other auditors whose report dated 23 May 2014 expressed an unmodified opinion on that statement.

Management's Responsibility for the Interim Condensed Consolidated Financial Statements

VimpelCom's management is responsible for the preparation and fair presentation of the interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting*; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of the interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting*.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial statements. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed consolidated financial statements for them to be in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting*.



Other Matter

As described in Note 2 to VimpelCom's unaudited interim condensed consolidated financial statements for the three- and six-month period ended 30 June 2014, on 1 January 2014 VimpelCom adopted amendments to International Accounting Standard IAS 32, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*, on a retrospective basis resulting in a revision of the consolidated statement of financial position as of 31 December 2013. We have not audited or reported on the revised consolidated statement of financial position reflecting the adoption of the amendments to IAS 32, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*.

ZAO Pricewaterhousecoopers Audit

8 August 2014

Moscow, Russian Federation

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Interim consolidated income statements
for the three and six months ended 30 June 2014 and 2013

	Note	Three months ended 30 June		Six months ended 30 June	
		2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
<i>(All amounts in thousands of US dollars unless otherwise stated)</i>					
Service revenue		2,391,768	2,678,854	4,678,067	5,272,539
Sale of equipment and accessories		37,242	108,583	81,886	248,570
Other revenue		4,652	4,597	10,772	11,335
Total operating revenue	4	2,433,662	2,792,034	4,770,725	5,532,444
Operating expenses					
Service costs		(674,709)	(746,650)	(1,292,089)	(1,442,471)
Cost of equipment and accessories		(43,798)	(114,617)	(100,218)	(251,112)
Selling, general and administrative expenses		(684,471)	(760,560)	(1,398,329)	(1,516,992)
Depreciation	6	(360,146)	(373,309)	(707,606)	(765,252)
Amortization	7	(53,993)	(70,267)	(113,760)	(143,371)
Impairment loss		–	–	–	(30,885)
Loss on disposal of non-current assets		(12,205)	(6,342)	(21,437)	(8,059)
Total operating expenses		(1,829,322)	(2,071,745)	(3,633,439)	(4,158,142)
Operating profit		604,340	720,289	1,137,286	1,374,302
Finance costs		(204,554)	(194,605)	(403,204)	(400,645)
Finance income		92,013	96,885	186,400	199,530
Net foreign exchange gain/(loss)		35,848	33,500	(44,800)	82,525
Other non-operating (losses)/gains, net		(35,125)	14,924	(30,168)	12,400
Share of (loss)/profit of associates and joint ventures accounted for using the equity method		(5,688)	8,802	(21,853)	6,273
Profit before tax		486,834	679,795	823,661	1,274,385
Income tax expense	5	(76,982)	(94,348)	(165,502)	(226,111)
Profit for the period		409,852	585,447	658,159	1,048,274
Attributable to:					
The owners of the parent		390,353	566,603	616,857	1,023,509
Non-controlling interests		19,499	18,844	41,302	24,765
		409,852	585,447	658,159	1,048,274

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Interim consolidated statements of comprehensive income
for the three and six months ended 30 June 2014 and 2013

Note	Three months ended 30 June		Six months ended 30 June	
	2014 (unaudited)	2013 (unaudited)	2014 (unaudited)	2013 (unaudited)
	<i>(All amounts in thousands of US dollars unless otherwise stated)</i>			
Profit for the period	409,852	585,447	658,159	1,048,274
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Cash flow hedge reserve	(763)	255	(1,034)	3,414
Income tax effect	-	-	-	-
Share of exchange differences on translation of associates and joint ventures accounted for using the equity method	22,885	(23,529)	(11,469)	(34,378)
Income tax effect	-	-	-	-
Net loss arising on revaluation of available-for-sale financial assets at fair value through other comprehensive income	(5,294)	(16,668)	(38,480)	(4,115)
Income tax effect	-	-	-	-
Exchange differences arising on net investment in foreign operations and translation to the presentation currency	71,013	(127,433)	(3,106)	(189,770)
Income tax effect	5,483	(4,698)	(2,645)	(6,849)
Other comprehensive income items not being reclassified to profit or loss in subsequent periods:				
Exchange differences arising on translation of OJSC VimpelCom's operations	66,806	(51,920)	(215,892)	(108,652)
Income tax effect	-	-	-	-
Other comprehensive income/(loss) for the period, net of tax	160,130	(223,993)	(272,626)	(340,350)
Total comprehensive income for the period, net of tax	569,982	361,454	385,533	707,924
Attributable to:				
The owners of the parent	537,447	344,762	394,565	685,396
Non-controlling interests	32,535	16,692	(9,032)	22,528
	569,982	361,454	385,533	707,924

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Interim consolidated statements of financial position
as of 30 June 2014 and 31 December 2013

	30 June 2014	31 December 2013*	
Note	(unaudited)	(unaudited)	
<i>(All amounts in thousands of US dollars unless otherwise stated)</i>			
Assets			
Non-current assets			
Property and equipment	6	7,395,496	7,681,837
Intangible assets	7	812,375	881,227
Goodwill	7	3,245,858	3,357,221
Investments in associates and joint ventures		393,586	426,924
Deferred tax assets		13,810	5,609
Other financial assets	8	4,168,845	791,759
Other non-current non-financial assets	9	15,315	16,799
Total non-current assets		16,045,285	13,161,376
Current assets			
Inventories		103,348	129,618
Trade and other receivables		709,922	639,977
Other current non-financial assets	9	211,508	187,228
Current income tax assets		15,398	78,715
Other current financial assets	8	448,428	3,655,102
Cash and cash equivalents	10	1,081,855	997,752
Total current assets		2,570,459	5,688,392
Total assets		18,615,744	18,849,768
Equity and liabilities			
Equity			
Equity attributable to equity owners of the parent		5,214,196	4,845,936
Non-controlling interests		179,538	200,999
Total equity		5,393,734	5,046,935
Non-current liabilities			
Financial liabilities	8	8,124,331	9,109,653
Provisions		136,713	127,161
Other non-current non-financial liabilities	9	33,952	36,403
Deferred tax liabilities		481,365	532,364
Total non-current liabilities		8,776,361	9,805,581
Current liabilities			
Trade and other payables		1,314,532	1,715,694
Dividends payable	11	-	461,299
Other current non-financial liabilities	9	717,298	697,178
Other financial liabilities	8	2,300,659	1,005,686
Current income tax payables		15,383	4,013
Provisions		97,777	113,382
Total current liabilities		4,445,649	3,997,252
Total equity and liabilities		18,615,744	18,849,768

* Certain amounts shown here do not correspond to the 2013 consolidated financial statements and reflect adjustments made as described in Note 2.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Interim consolidated statement of changes in equity
for the three months ended 30 June 2014

Attributable to the owners of the parent										
Note	Issued capital	Capital surplus	Other capital reserves	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve	Available-for-sale reserve	Total	Non-controlling interests	Total equity
<i>(All amounts in thousands of US dollars unless otherwise stated)</i>										
As of 31 March 2014 (unaudited)	92	1,433,396	648,046	3,825,760	(1,247,598)	(166)	(3,731)	4,655,799	175,453	4,831,252
Profit for the period	–	–	–	390,353	–	–	–	390,353	19,499	409,852
Other comprehensive income	–	–	–	–	153,151	(763)	(5,294)	147,094	13,036	160,130
Total comprehensive income	–	–	–	390,353	153,151	(763)	(5,294)	537,447	32,535	569,982
Effect of options over non-controlling interests in subsidiaries	8	–	–	19,221	–	1,659	–	20,880	(28,450)	(7,570)
Share-based payment transactions	–	–	70	–	–	–	–	70	–	70
As of 30 June 2014 (unaudited)	92	1,433,396	667,337	4,216,113	(1,092,788)	(929)	(9,025)	5,214,196	179,538	5,393,734

Interim consolidated statement of changes in equity
for the three months ended 30 June 2013

Attributable to the owners of the parent										
Note	Issued capital	Capital surplus	Other capital reserves	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve	Available-for-sale reserve	Total	Non-controlling interests	Total equity
<i>(All amounts in thousands of US dollars unless otherwise stated)</i>										
As of 31 March 2013 (unaudited)	92	1,433,396	617,070	5,791,451	(676,706)	(150)	21,799	7,186,952	(19,800)	7,167,152
Profit for the period	–	–	–	566,603	–	–	–	566,603	18,844	585,447
Other comprehensive income	–	–	–	–	(205,428)	255	(16,668)	(221,841)	(2,152)	(223,993)
Total comprehensive income	–	–	–	566,603	(205,428)	255	(16,668)	344,762	16,692	361,454
Dividends declared	–	–	–	(1,154,366)	–	–	–	(1,154,366)	–	(1,154,366)
Effect of options over non-controlling interests in subsidiaries	–	–	2,640	–	(2,096)	–	–	544	(14,225)	(13,681)
Share-based payment transactions	–	–	143	–	–	–	–	143	–	143
Divestment	–	–	–	(24,570)	450	–	–	(24,120)	24,570	450
As of 30 June 2013 (unaudited)	92	1,433,396	619,853	5,179,118	(883,780)	105	5,131	6,353,915	7,237	6,361,152

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Interim consolidated statement of changes in equity
for the six months ended 30 June 2014

Attributable to the owners of the parent										
Note	Issued capital	Capital surplus	Other capital reserves	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve	Available-for-sale reserve	Total	Non-controlling interests	Total equity
<i>(All amounts in thousands of US dollars unless otherwise stated)</i>										
As of 1 January 2014	92	1,433,396	663,971	3,599,256	(880,339)	105	29,455	4,845,936	200,999	5,046,935
Profit for the period	-	-	-	616,857	-	-	-	616,857	41,302	658,159
Other comprehensive income	-	-	-	-	(182,778)	(1,034)	(38,480)	(222,292)	(50,334)	(272,626)
Total comprehensive income	-	-	-	616,857	(182,778)	(1,034)	(38,480)	394,565	(9,032)	385,533
Effect of options over non-controlling interests in subsidiaries	8	-	3,460	-	(29,671)	-	-	(26,211)	(12,429)	(38,640)
Share-based payment transactions	-	-	(94)	-	-	-	-	(94)	-	(94)
As of 30 June 2014 (unaudited)	92	1,433,396	667,337	4,216,113	(1,092,788)	(929)	(9,025)	5,214,196	179,538	5,393,734

Interim consolidated statement of changes in equity
for the six months ended 30 June 2013

Attributable to the owners of the parent										
Note	Issued capital	Capital surplus	Other capital reserves	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve	Available-for-sale reserve	Total	Non-controlling interests	Total equity
<i>(All amounts in thousands of US dollars unless otherwise stated)</i>										
As of 1 January 2013	92	1,433,396	620,210	5,334,545	(544,061)	(3,309)	9,246	6,850,119	(10,524)	6,839,595
Profit for the period	-	-	-	1,023,509	-	-	-	1,023,509	24,765	1,048,274
Other comprehensive income	-	-	-	-	(337,412)	3,414	(4,115)	(338,113)	(2,237)	(340,350)
Total comprehensive income	-	-	-	1,023,509	(337,412)	3,414	(4,115)	685,396	22,528	707,924
Dividends declared	-	-	-	(1,154,366)	-	-	-	(1,154,366)	-	(1,154,366)
Effect of options over non-controlling interests in subsidiaries	-	-	(571)	-	(2,757)	-	-	(3,328)	(29,337)	(32,665)
Share-based payment transactions	-	-	214	-	-	-	-	214	-	214
Divestment	-	-	-	(24,570)	450	-	-	(24,120)	24,570	450
As of 30 June 2013 (unaudited)	92	1,433,396	619,853	5,179,118	(883,780)	105	5,131	6,353,915	7,237	6,361,152

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Interim consolidated statements of cash flows
for the six months ended 30 June 2014 and 2013

	Note	Six month ended 30 June	
		2014 (unaudited)	2013 (unaudited)
<i>(All amounts in thousands of US dollars unless otherwise stated)</i>			
Operating activities			
Profit for the period		658,159	1,048,274
Income tax expense	5	165,502	226,111
Profit before tax		823,661	1,274,385
Non-cash adjustments to reconcile profit before tax to net cash flows from operating activities:			
Depreciation	6	707,606	765,252
Impairment loss		–	30,885
Amortization	7	113,760	143,371
Loss on disposals of non-current assets		21,437	8,059
Finance income		(186,400)	(199,530)
Finance costs		403,204	400,645
Other non-operating loss/(gain), net		30,168	(12,400)
Net foreign exchange loss/(gain)		44,800	(82,525)
Share of loss/(gain) of associates and joint ventures accounted for using the equity method		21,853	(6,273)
Movements in provisions		(4,249)	5,654
Operating profit before working capital adjustments, interest and income taxes		1,975,840	2,327,523
Working capital adjustments			
Change in trade and other receivables and prepayments		(160,301)	(155,445)
Change in inventories		21,914	(49,280)
Change in trade and other payables		103,618	39,644
Interest and income taxes			
Interest paid		(378,886)	(371,123)
Interest received		15,080	40,139
Income tax paid		(149,694)	(219,810)
Net cash flows from operating activities		1,427,571	1,611,648
Investing activities			
Proceeds from sale of property, equipment and intangible assets		3,100	25,079
Purchase of property, equipment and intangible assets		(1,160,981)	(925,461)
Issue of loans		(206,942)	(1,200,878)
Repayment of loans issued		219,120	2,091,544
Inflows/(outflows) from deposits (net)		(64,584)	(146,641)
Proceeds from sale of available-for-sale financial assets		426	5,051
Disposal of subsidiaries, net of cash disposed		606	28,702
Receipt of dividends		113	14,827
Net cash flows used in investing activities		(1,209,142)	(107,777)
Financing activities			
Proceeds from borrowings, net of fees paid		646,808	798,293
Repayment of borrowings		(297,284)	(1,165,939)
Dividends paid to equity holders	11	(442,033)	(1,155,081)
Dividends paid to non-controlling interests		–	(412)
Net cash flows used in financing activities		(92,509)	(1,523,139)
Net increase/(decrease) in cash and cash equivalents		125,920	(19,268)
Net foreign exchange differences		(41,817)	(52,266)
Cash and cash equivalents at the beginning of the period		997,752	981,845
Cash classified as asset held for sale		–	(188,491)
Cash and cash equivalents at the end of the period		1,081,855	721,820

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

1. General information

Open Joint Stock Company "Vimpel-Communications" (**OJSC "VimpelCom"**, together with its subsidiaries referred to as the "**Group**", "**VimpelCom**", the "**Company**" or "**we**") was registered in the Russian Federation ("**Russia**") on 15 September 1992 as a closed joint stock company, re-registered as an open joint stock company on 28 July 1993 and began full-scale commercial operations in June 1994.

The registered office of VimpelCom is located at Russian Federation, 127083, Moscow, Ulitsa 8-Marta, Dom 10, Building 14.

The interim condensed consolidated financial statements are presented in United States dollars ("**US dollars**" or "**US\$**"), as this is the functional and reporting currency of our controlling shareholder VimpelCom Ltd. In these notes, United States dollar amounts are presented in thousands, all values are rounded to the nearest thousand (USD thousand) unless otherwise indicated.

VimpelCom earns revenues by providing voice, data and other telecommunication services through a range of wireless, fixed and broadband internet services, as well as selling related equipment and accessories. As of 30 June 2014, the Company provided telecommunications services in Russia, Kazakhstan, Ukraine, Armenia, Uzbekistan, Georgia, Kyrgyzstan and Laos primarily under the "Beeline" brand name.

The unaudited interim condensed consolidated financial statements of the Company for the three and six months ended 30 June 2014 were authorized for issue by General Director on 8 August 2014.

2. Basis of the interim condensed consolidated financial statements

Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required for a complete set of consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013 prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

VimpelCom maintains its accounting records and prepares its financial statements in accordance with the regulations on accounting, reporting and tax legislation in the Russian Federation. VimpelCom's subsidiaries outside the Russian Federation maintain their accounting records in accordance with local regulations and tax legislation. The accompanying interim condensed consolidated financial statements have been prepared from these accounting records and adjusted as necessary in order to comply with IFRS.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, unless disclosed otherwise.

The preparation of these interim condensed consolidated financial statements required management to apply accounting policies and methodologies based on complex and subjective judgments, estimates based on past experience and assumptions determined to be reasonable and realistic based on the related circumstances. The use of these estimates and assumptions affects the amounts reported in the statements of financial position, the income statements and statements of comprehensive income as well as the notes. The final amounts for items for which estimates and assumptions are made in these interim condensed consolidated financial statements may differ from those reported in these statements due to the uncertainties that characterize the assumptions and conditions on which the estimates are based. The results for the interim period are not necessarily indicative of results for the full year.

Open Joint Stock Company "Vimpel-Communications"
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Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

2. Basis of the interim condensed consolidated financial statements (continued)

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of and for the three -and six-month periods ended 30 June 2014. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

Intercompany accounts and transactions within the Group have been eliminated.

Non-controlling interests are reported in the interim condensed consolidated statement of financial position as a separate component of equity. Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the owners of the parent.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014, as described below.

The Group has applied, for the first time, the amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*. These amendments permit financial assets and liabilities to be offset against each other for balance sheet presentation only where a currently existing, legally enforceable, unconditional right of offset applies to all counterparties of the financial instruments in all situations, including both normal operations and insolvency. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.

VimpelCom enters into interconnect contracts with various counterparties that are settled on a net basis in the normal course of business. However, following the Russian legislation, net settlement is not possible in the event of bankruptcy of a counterparty. Consequently, the offsetting of the respective financial assets and liabilities relevant for the Russian jurisdiction is not allowed in light of the amendments to IAS 32. As a result of the retrospective application of the amendments to IAS 32, the outstanding receivables and payables balances under the interconnect contracts included in the 31 December 2013 statement of financial position presented as comparative information in these interim condensed consolidated financial statements have been presented on a gross basis leading to the increase of the Trade and other receivables and Trade and other payables by US\$ 130,300. No additional statement of financial position as of 1 January 2013 is presented because the application of the amendments to IAS 32 did not result in a change of equity in any of the prior periods.

Several other new standards and amendments apply for the first time in 2014, i.e. IFRIC 21 *Levies, Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27* and IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39*. However, they do not impact the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

In 2013, the Company early adopted IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36* that became effective for annual periods beginning on or after 1 January 2014. Since the amended/additional disclosures provide useful information as intended by the IASB, the Company decided to early adopt the Standard in 2013. The amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

3. Seasonality of operations

Due to seasonality of the Group's operations, higher revenues and operating profits are usually expected in the third quarter of the year and the month of December. These expectations are mainly attributable to the increased demand for telecommunication services during the peak holiday seasons from private customers. This information is provided to allow for a proper assessment of the results, however management has concluded that this does not constitute a "highly seasonal" business as described by IAS 34 *Interim Financial Reporting*.

4. Segment information

Management analyzes the Company's operating segments separately because of different economic environments and stages of development in different geographical areas, requiring different investment and marketing strategies. Management does not analyze assets or liabilities by reportable segment. The segment data for acquired operations are reflected herein from the date of their respective acquisition.

Management evaluates the performance of the Company's segments on a regular basis, primarily based on earnings before interest (both finance income and finance costs), income tax, depreciation, amortization, impairment loss, loss on disposals of non-current assets, net foreign exchange gain/(loss), other non-operating losses and share of profit/(loss) of associates and joint ventures ("**EBITDA**").

Financial information by reportable segment for the three- and six-month periods ended 30 June 2014 and 30 June 2013 is presented in the following tables.

Information by reportable segments for the three months ended 30 June 2014

	Russia	CIS	Ukraine	Total	All other	Group
Revenue						
External customers	1,957,239	431,307	7,787	2,396,333	37,329	2,433,662
Inter-segment	6,821	27,909	407	35,137	(35,137)	-
Total operating revenues	1,964,060	459,216	8,194	2,431,470	2,192	2,433,662
EBITDA	813,495	201,976	3,575	1,019,046	11,638	1,030,684
Capital expenditures	392,708	38,048	1,213	431,969	-	431,969

Information by reportable segments for the three months ended 30 June 2013

	Russia	CIS	Ukraine	Total	All other	Group
Revenue						
External customers	2,317,180	450,279	12,058	2,779,517	12,517	2,792,034
Inter-segment	17,235	29,676	500	47,411	(47,411)	-
Total operating revenues	2,334,415	479,955	12,558	2,826,928	(34,894)	2,792,034
EBITDA	996,638	252,288	192	1,249,118	(78,911)	1,170,207
Capital expenditures	355,269	84,057	1,054	440,380	994	441,374

Information by reportable segments for the six months ended 30 June 2014

	Russia	CIS	Ukraine	Total	All other	Group
Revenue						
External customers	3,846,507	840,060	18,586	4,705,153	65,572	4,770,725
Inter-segment	10,938	22,457	834	34,229	(34,229)	-
Total operating revenues	3,857,445	862,517	19,420	4,739,382	31,343	4,770,725
EBITDA	1,573,641	391,313	5,442	1,970,396	9,693	1,980,089
Capital expenditures	718,139	74,364	1,598	794,101	-	794,101

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

4. Segment information (continued)

Information by reportable segments for the six months ended 30 June 2013

	Russia	CIS	Ukraine	Total	All other	Group
Revenue						
External customers	4,607,849	872,756	24,041	5,504,646	27,798	5,532,444
Inter-segment	30,844	30,786	1,159	62,789	(62,789)	-
Total operating revenues	4,638,693	903,542	25,200	5,567,435	(34,991)	5,532,444
EBITDA	1,959,839	459,483	1,917	2,421,239	(99,370)	2,321,869
Capital expenditures	575,517	170,658	2,219	748,394	1,375	749,769

The following table provides the reconciliation of consolidated EBITDA to consolidated profit for the three- and six-month period ended 30 June 2014:

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
EBITDA	1,030,684	1,170,207	1,980,089	2,321,869
Depreciation	(360,146)	(373,309)	(707,606)	(765,252)
Amortization	(53,993)	(70,267)	(113,760)	(143,371)
Impairment loss	-	-	-	(30,885)
Loss on disposal of non-current assets	(12,205)	(6,342)	(21,437)	(8,059)
Finance costs	(204,554)	(194,605)	(403,204)	(400,645)
Finance income	92,013	96,885	186,400	199,530
Other non-operating (losses)/gains, net	(35,125)	14,924	(30,168)	12,400
Share of (loss)/profit of associates and joint ventures accounted for using the equity method	(5,688)	8,802	(21,853)	6,273
Net foreign exchange gain/(loss)	35,848	33,500	(44,800)	82,525
Income tax expense	(76,982)	(94,348)	(165,502)	(226,111)
Profit for the period	409,852	585,447	658,159	1,048,274

5. Income taxes

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss. Tax effects of significant non-recurring items are excluded from the determination of the average annual effective tax rate, and are recognized using the statutory tax rates enacted or substantively enacted as of the end of the interim periods, as the related income and expense, giving rise to such tax effects, are recognized. Significant changes in deferred taxes resulting from origination and reversal of temporary differences are reflected in the interim consolidated statement of financial position.

Income tax expense consisted of the following for the three and six months ended 30 June 2014:

	Three months ended 30 June		Six months ended 30 June	
	2014	2013	2014	2013
Current income taxes	74,564	146,199	215,292	326,147
Deferred income taxes	2,418	(51,851)	(49,790)	(100,036)
Income tax expense reported in the income statement	76,982	94,348	165,502	226,111
Effective tax rates	16%	14%	20%	18%

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

5. Income taxes (continued)

The increase in the effective tax rate ("ETR") for the three- and six-month period ended 30 June 2014 compared with the ETR for the prior year six months relates to the higher withholding tax accrued in 2014 compared to 2013 for dividends that will be distributed in the foreseeable future. This increase was partly offset as a result of prior year adjustments due to re-filing of tax returns.

6. Property and equipment

During the six months ended 30 June 2014 and 2013, the Company had the following changes in property and equipment:

	Six months ended 30 June	
	2014	2013
Opening net book value as of 1 January	7,681,837	7,763,187
Additions	719,755	692,513
Net book value of assets disposed	(25,657)	(32,014)
Translation adjustment	(272,833)	(431,006)
Depreciation charge	(707,606)	(765,252)
Assets reclassified as held for sale	-	(711,397)
Closing net book value as of 30 June	7,395,496	6,516,031

7. Intangible assets and goodwill

During the six months ended 30 June 2014 and 2013, the Company had the following changes in intangible assets and goodwill:

	Six months ended 30 June			
	2014		2013	
	Other intangible assets	Goodwill	Other intangible assets	Goodwill
Opening net book value as of 1 January	881,227	3,357,221	1,067,164	3,603,922
Additions	74,346	-	57,257	-
Net book value of assets disposed	(1,822)	-	(1,521)	-
Translation adjustment	(27,616)	(111,363)	(57,411)	(206,000)
Amortization charge	(113,760)	-	(143,371)	-
Assets reclassified as held for sale	-	-	(60,754)	(145,507)
Closing net book value as of 30 June	812,375	3,245,858	861,364	3,252,415

Goodwill is tested for impairment annually at 1 October and when circumstances indicate the carrying value may be impaired. The Company's impairment test for goodwill is primarily based on value-in-use calculations that use a discounted cash flow model. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual financial statements for the year ended 31 December 2013.

There were no indicators of impairment of goodwill during the six months ended 30 June 2014.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

8. Financial assets and liabilities

There were no significant changes in the financial assets and liabilities in the six months ended 30 June 2014, except as described below.

On 4 February 2014, the Company entered into Subordination Deed to rank the liabilities owed by VimpelCom to each of OJSC Sberbank ("Sberbank Liabilities"), Vimpelcom Amsterdam B.V., Vimpelcom Holdings B.V. and Weather Capital Special Purpose 1 S.A ("Subordinated Liabilities") if an Insolvency Event occurs in respect of the Company. If such Event occurs in respect of the Company, and for so long as such Event continues, the Subordinated Liabilities shall be subordinated in full to the Sberbank Liabilities and the Sberbank Liabilities shall rank in priority to the Subordinated Liabilities.

On 1 December 2011, the Company entered into Revolving Credit Facility with OJSC Sberbank for the amount of RUB 15,000 million (the equivalent of US\$ 446,022 as of 30 June 2014 at the exchange rate provided by Central Bank of Russia). The facility bears interest at a rate of MosPrime plus 1.8% p.a. On 1 April 2014, VimpelCom drew down under this Revolving Credit Facility an amount of RUB 7,300 million (the equivalent of US\$ 205,026 at the exchange rate as of 1 April 2014 provided by Central Bank of Russia). On 20 June 2014, VimpelCom fully repaid the loan in the amount of RUB 7,300 million (the equivalent of US\$ 212,812 at the exchange rate as of 20 June 2014 provided by Central Bank of Russia). The agreement was terminated on 23 June 2014.

On 30 April 2014, VimpelCom signed a loan facility agreement with CISCO Systems Finance International. The loan was a Russian ruble denominated export credit facility for a total amount of RUB 1,500 million (the equivalent of US\$ 42,019 as of 30 April 2014 at the exchange rate provided by Central Bank of Russia). The purpose of the facility is to finance equipment purchased by VimpelCom from CISCO on a reimbursement basis. The facility bears interest at a rate of 8.85%. The facility was drawn on 7 May 2014 in the amount of RUB 1,312 million (the equivalent of US\$ 36,797 as of 7 May 2014 at the exchange rate provided by Central Bank of Russia). The facility matures on 9 July 2017.

On 30 May 2014, the Company entered into Credit Facility agreement with OJSC Sberbank for the amount of RUB 25,000 million (the equivalent of US\$ 432,924 as of 30 May 2014 at the exchange rate provided by Central Bank of Russia). The facility bears interest at a rate at a range from 10.75% to 12.00% p.a. which is subject to certain conditions. In the period ended 30 June 2014, no drawdown under this facility was made. Credit Facility matures on 29 May 2017.

On 30 May 2014, the Company entered into Revolving Credit Facility with OJSC Sberbank for the amount of RUB 15,000 million (the equivalent of US\$ 721,540 as of 30 May 2014 at the exchange rate provided by Central Bank of Russia). The facility bears interest at a rate of MosPrime plus the margin from 2.1% to 2.8% p.a. which is subject to certain conditions. On 2 July 2014, VimpelCom drew down under this Revolving Credit Facility an amount of RUB 8,000 million (the equivalent of US\$ 233,730 at the exchange rate as of 2 July 2014 provided by Central Bank of Russia). The facility matures on 29 May 2017.

The change in the cross-currency and interest rate exchange contracts is driven by the respective change in their fair values in the reported period.

Significant changes in financial assets and liabilities also relate to the loans received from related parties and the amount of interest due on them, loans granted to related parties and the amount of interest due on them as further described in Note 12.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

8. Financial assets and liabilities (continued)

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments as of 30 June 2014 except for cash and cash equivalents, trade and other receivables and trade and other payables where the carrying amount is a reasonable approximation of fair value:

	Carrying value		Fair value	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Financial assets at fair value through profit or loss				
Derivatives over non-controlling interest	34,876	34,874	34,876	34,874
Foreign exchange contracts	–	301	–	301
Financial assets at fair value through other comprehensive income				
Available-for-sale financial assets	70,873	109,827	70,873	109,827
Total financial assets at fair value	105,749	145,002	105,749	145,002
Loans granted, deposits and other financial assets at amortised cost				
Loans granted to related parties	4,052,065	4,077,478	4,246,465	4,484,501
Bank deposits	274,659	209,066	274,659	209,066
Interest receivable	175,144	4,890	178,516	4,890
Other financial assets	9,656	10,425	9,656	10,425
Total loans granted, deposits and other financial assets at amortised cost	4,511,524	4,301,859	4,709,296	4,708,882
Total other financial assets	4,617,273	4,446,861	4,815,045	4,853,884
Financial liabilities at fair value through profit or loss or equity				
Derivatives over non-controlling interest	243,109	204,469	243,109	204,469
Cross-currency and Interest rate exchange contracts	28,707	–	28,707	–
Total financial liabilities at fair value through profit or loss or equity	271,816	204,469	271,816	204,469
Financial liabilities at amortised cost	10,153,174	9,910,870	10,518,316	10,374,549
Total other financial liabilities	10,424,990	10,115,339	10,790,132	10,579,018

The fair value of the financial assets and liabilities are included at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of our publicly traded bonds was estimated based on quoted market prices. The fair value of other loans and borrowings was determined using discounted cash flows under the agreement at the rate applicable for the instruments with similar maturity and risk profile.

Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

8. Financial assets and liabilities (continued)

Fair value hierarchy (continued)

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

For financial instruments that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period (including interim reporting periods).

The following table provides the disclosure of fair value measurements separately for each major class of assets and liabilities measured at fair value except for those with carrying amounts that are reasonable approximations of fair values.

	As of 30 June 2014		
	(Level 1)	(Level 2)	(Level 3)
Financial assets at fair value through profit or loss			
Derivatives over non-controlling interest	–	–	34,876
Financial assets at fair value through other comprehensive income			
Available-for-sale financial asset	70,873	–	–
Total financial assets at fair value	70,873	–	34,876
Assets for which fair values are disclosed			
Loans granted to related parties	–	4,246,465	–
Bank deposits	–	274,659	–
Interest receivable	–	178,516	–
Other financial assets	–	9,656	–
Total assets for which fair values are disclosed	–	4,709,296	–
Financial liabilities at fair value through profit or loss or equity			
Derivatives over non-controlling interest	–	–	243,109
Cross-currency and Interest rate exchange contracts	–	28,707	–
Total financial liabilities at fair value	–	28,707	243,109
Liabilities for which fair values are disclosed			
Financial liabilities at amortised cost	5,460,895	5,057,421	–
Total liabilities for which fair values are disclosed	5,460,895	5,057,421	–

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

8. Financial assets and liabilities (continued)

Fair value hierarchy (continued)

	As of 31 December 2013		
	(Level 1)	(Level 2)	(Level 3)
Financial assets at fair value through profit or loss			
Derivatives over non-controlling interest	–	–	34,874
Foreign exchange contracts	–	301	–
Financial assets at fair value through other comprehensive income			
Available-for-sale financial asset	109,827	–	–
Total financial assets at fair value	109,827	301	34,874
Assets for which fair values are disclosed			
Loans to related parties	–	4,484,501	–
Bank deposits	–	209,066	–
Interest receivable	–	4,890	–
Other financial assets	–	10,425	–
Total assets for which fair values are disclosed	–	4,708,882	–
Financial liabilities at fair value through profit or loss or equity			
Derivatives over non-controlling interest	–	–	204,469
Total financial liabilities at fair value	–	–	204,469
Liabilities for which fair values are disclosed			
Financial liabilities at amortised cost	5,560,202	4,814,347	–
Total liabilities for which fair values are disclosed	5,560,202	4,814,347	–

During the six months ended 30 June 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The movement of financial instruments measured at the fair value using unobservable inputs (Level 3) is presented below:

	As of 31 December 2013	Change in fair value reported in profit or loss	Change in fair value reported in equity	As of 30 June 2014
Financial assets at fair value through profit or loss				
Derivatives over non-controlling interest	34,874	2	–	34,876
Total financial assets at fair value	34,874	2	–	34,876
Financial liabilities at fair value through profit or loss				
Derivatives over non-controlling interest	204,469	–	38,640	243,109
Total financial liabilities at fair value	204,469	–	38,640	243,109

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant unobservable input	Range	Sensitivity of the input
Derivatives over non-controlling interest (asset)	Black-Scholes option model	Volatility based on peer group	Volatility +/- 10 p. p.	Every p. p. increase in volatility results in US\$ 4,071 higher fair value
Derivatives over non-controlling interest (liability)	Present value of redemption amount	Discount rate	Discount rate +/- 10 p. p.	Every p. p. decrease in discount rate results in US\$ 7,972 higher fair value

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

8. Financial assets and liabilities (continued)

Fair value hierarchy (continued)

Valuation technique

The Company measures the fair value of quoted equity instruments by reference to published price quotations in an active market (Level 1).

The Company measures the fair value of derivatives on a recurring basis, using observable inputs (Level 2), such as LIBOR, EURIBOR and swap curves, basis swap spreads and foreign exchange rates, floating rates with present value techniques.

The Company measures the fair value options over non-controlling interests on a recurring basis, using unobservable inputs (Level 3) such as projected redemption amounts, volatility, fair value of underlying shares using income approach with present value techniques and the Black-Scholes model.

Offsetting arrangements

The Company did not enter into any offsetting arrangements or other related contracts that would impact the Company's financial position or reported performance.

9. Other non-financial assets and liabilities

Other non-current non-financial assets consisted of the following:

	30 June 2014	31 December 2013
Deferred costs related to connection fees	7,691	8,960
Other non-current assets	7,624	7,839
Other non-current non-financial assets	15,315	16,799

Other current non-financial assets consisted of the following:

	30 June 2014	31 December 2013
Input value added tax	101,641	85,228
Advances to suppliers	90,390	89,767
Prepaid taxes	10,419	932
Deferred costs related to connection fees	5,412	7,072
Others	3,646	4,229
Other current non-financial assets	211,508	187,228

Other non-current non-financial liabilities consisted of the following:

	30 June 2014	31 December 2013
Long-term deferred revenue	32,333	33,871
Other non-current liabilities	1,619	2,532
Other non-current non-financial liabilities	33,952	36,403

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

9. Other non-financial assets and liabilities (continued)

Other current non-financial liabilities consisted of the following:

	30 June 2014	31 December 2013
Customer advances, net of VAT	295,843	361,318
Other taxes payable	248,310	167,398
Amounts due to employees	94,411	85,190
Short-term deferred revenue	34,906	41,032
Customer deposits	33,997	34,603
Other liabilities	9,831	7,637
Other current non-financial liabilities	717,298	697,178

10. Cash and cash equivalents

Cash and cash equivalents consisted of the following items:

	30 June 2014	31 December 2013
Cash and cash equivalents at banks and on hand	895,487	825,595
Short-term deposits with an original maturity of less than 92 days	186,368	172,157
Total cash and cash equivalents	1,081,855	997,752

Cash at banks earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The cash balances as of 30 June 2014 in Uzbekistan of US\$ 367,987 (31 December 2013: US\$ 256,212) are restricted for the use of the Company due to the local government and central bank regulation. The restrictions have effect on international payments only, while such cash can be used for transactions within the country.

11. Dividends

On 17 January 2014, VimpelCom paid the second tranche of dividends to the shareholders based on the financial results for the nine months ended 30 September 2013 in the amount of RUR 7,932.81 million (the equivalent to US\$ 237,500 as of 17 January 2014), net of tax withheld. In accordance with the Russian tax legislation, VimpelCom withheld a tax on dividend payments in the amount of RUR 417.52 million (the equivalent to US\$ 12,500 as of 17 January 2014).

On 31 January 2014, VimpelCom paid the third tranche of dividends to the shareholders based on the financial results for the nine months ended 30 September 2013 in the amount of RUR 4,218.80 million (the equivalent to US\$ 119,700 as of 31 January 2014), net of tax withheld. In accordance with the Russian tax legislation, VimpelCom withheld a tax on dividend payments in the amount of RUR 222.04 million (the equivalent to US\$ 6,300 as of 31 January 2014).

On 14 February 2014, VimpelCom paid the fourth tranche of dividends to the shareholders based on the financial results for the nine months ended 30 September 2013 in the amount of RUR 2,186.89 million (the equivalent to US\$ 62,731 as of 14 February 2014), net of tax withheld. In accordance with the Russian tax legislation, VimpelCom withheld a tax on dividend payments in the amount of RUR 115.10 million (the equivalent to US\$ 3,302 as of 14 February 2014).

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

12. Related parties

As of 30 June 2014, OJSC VimpelCom is a wholly-owned subsidiary of VimpelCom Ltd. As of 30 June 2014 VimpelCom Ltd. is primarily owned by two major shareholders: Altimo Coöperatief U.A., a member of the Alfa group of companies (hereinafter: Alfa Group), and Telenor East Holding II AS, a member of the Telenor group of companies (hereinafter: Telenor). VimpelCom Ltd. has no ultimate controlling shareholder.

The following tables provide the total amount of transactions that have been entered into with related parties and balances of accounts with them:

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
Revenue from Alfa Group	2,548	2,598	4,991	4,983
Revenue from Telenor	136	296	166	851
Revenue from Kyivstar	32,912	9,093	56,286	14,755
Revenue from associates	2,188	2,102	4,387	3,312
Revenue from joint ventures	2,706	10,314	5,523	24,141
Revenue from Teta Telecom	10,937	–	20,191	–
Revenue from other related parties	6,156	3,023	8,953	5,829
	57,583	27,426	100,497	53,871
Services from Alfa Group	3,171	2,623	5,995	5,641
Services from Telenor	481	563	(685)	1,813
Services from Kyivstar	35,115	30,547	63,039	53,624
Services from associates	2,440	1,637	5,019	4,713
Services from joint ventures	9,646	18,307	18,626	34,732
Services from Teta Telecom	30,332	–	57,202	–
Services from VimpelCom Ltd. or its subsidiaries	28,805	31,606	53,136	54,813
Services from other related parties	186	–	3,011	17
	110,176	85,283	205,343	155,353
Finance income from VimpelCom Ltd. or its subsidiaries	84,986	92,175	172,736	188,719
Finance costs from VimpelCom Ltd. or its subsidiaries	36,844	13,371	72,402	18,060
Other gain from other related parties	562	9,908	719	11,310
			30 June 2014	31 December 2013
Accounts receivable from Alfa Group			1,946	3,047
Accounts receivable from Telenor			3,053	3,835
Accounts receivable from Kyivstar			15,857	9,097
Accounts receivable from associates			6,745	7,537
Accounts receivable from joint ventures			21,101	12,394
Accounts receivable from Teta Telecom			6,693	7,069
Accounts receivable from VimpelCom Ltd. or its subsidiaries			20,991	16,679
Accounts receivable from other related parties			–	162
			76,386	59,820
Accounts payable to Alfa Group			72	18
Accounts payable to Telenor			401	513
Accounts payable to Kyivstar			14,242	10,359
Accounts payable to associates			666	1,026
Accounts payable to joint ventures			12,490	9,544
Accounts payable to Teta Telecom			51,477	49,700
Accounts payable to VimpelCom Ltd. or its subsidiaries			57,317	44,089
Dividends payable to VimpelCom Ltd. or its subsidiaries			–	461,159
			136,665	576,408
Loans granted to VimpelCom Ltd. or its subsidiaries			4,052,065	4,077,477
Interest receivable from VimpelCom Ltd. or its subsidiaries			173,160	3,692
Loans received from VimpelCom Ltd. or its subsidiaries			2,325,961	1,907,845
Interest payable to VimpelCom Ltd. or its subsidiaries			36,137	56,378

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

12. Related parties (continued)

VimpelCom maintains bank accounts in Alfa Bank (member of the Alfa Group), which are used for payroll and other payments in the ordinary course of business. The balances in these bank accounts as of 30 June 2014 and 31 December 2013 were US\$ 16,431 and US\$ 48,237, respectively.

Loans granted to VimpelCom Ltd. or its subsidiaries

As of 30 June 2014 and 31 December 2013, the principal amount of debt outstanding of loans granted to VimpelCom Ltd. or its subsidiaries was as follows:

Borrower	Date of agreements	Maturity	Interest rate	Currency	30 June 2014	31 December 2013
VimpelCom Amsterdam Finance B.V.	13 May 2011	May 2017	7.5%	USD	3,408,420	3,408,420
VimpelCom Ltd.	7 Oct 2010	Dec 2070	LIBOR+7.5%	USD	561,469	561,469
Teta Telecom	2007-2011	2017-2021	10.6%	KZT	60,666	75,078
Others					21,510	32,510
Total					4,052,065	4,077,477

On 13 May 2011, VimpelCom signed an agreement to grant an unsecured loan to VimpelCom Amsterdam Finance B.V., a subsidiary of VimpelCom Ltd. On 6 June 2014, the parties signed an addendum to the loan agreement, to extend the maturity date of the loan till 31 May 2017 and to change the interest rate from 8.72% to 7.5%.

Loans received from VimpelCom Ltd. or its subsidiaries

As of 30 June 2014 and 31 December 2013, the principal amount of loans received from VimpelCom Ltd. or its subsidiaries was as follows:

Creditor	Date of agreement	Maturity	Interest rate	Currency	30 June 2014	31 December 2013
VimpelCom Holdings B.V.	14 Feb 2013	Feb., 2018	9.60%	RUR	356,818	366,645
Weather Capital Special Purpose 1 S.A.	3 Oct 2013	Feb., 2020	5.67-6.07%	USD	635,000	635,000
Weather Capital Special Purpose 1 S.A.	13 Nov 2013	Feb., 2020	5.56-5.96%	USD	580,000	430,000
Weather Capital Special Purpose 1 S.A.	22 Apr 2010	Oct., 2021	5.75%	USD	400,000	400,000
Weather Capital Special Purpose 1 S.A.	21 Jan 2014	Feb., 2020	5.44-5.80%	USD	255,000	–
Weather Capital Special Purpose 1 S.A.	13 Apr 2007	Apr., 2017	11%	USD	64,143	41,200
Weather Capital Special Purpose 1 S.A.	27 May 2008	Jun., 2015	3.775%	USD	35,000	35,000
Total					2,325,961	1,907,845

Terms and conditions of transactions with related parties

Outstanding balances at the period-end are unsecured, and settlements occur in cash. For the six months ended 30 June 2014, there have been no new guarantees provided or received for any related party receivables or payables and no changes occurred during the six months ended 30 June 2014 to the terms and amounts of the Company's guarantees of the related party loans that existed as of 31 December 2013 and were disclosed in the notes to the respective annual consolidated financial statements except that on 16 April 2014, with effect as from 25 April 2014, VimpelCom Amsterdam B.V. cancelled the existing US\$ 225,000 and EUR 205 million revolving credit facility that VimpelCom Amsterdam B.V., as borrower, had entered into in 2011 and that was guaranteed by the Company. No triggering events under the existing guarantees in favor of related party occurred. The Company believes that probability of these events is remote.

Open Joint Stock Company "Vimpel-Communications"
(a wholly-owned subsidiary of VimpelCom Ltd.)

Notes to the unaudited interim condensed consolidated financial statements

(All amounts in thousands of US dollars unless otherwise stated)

13. Commitments, contingencies and uncertainties

There has been no material change in the status of the commitments, contingencies and uncertainties from that disclosed in the 2013 annual consolidated financial statements.

The political and economic turmoil witnessed in countries where the Group operates, including the developments in Ukraine, have had and may continue to have a negative impact on the Russian economy, including weakening of the Russian Ruble (RUB) and making it harder to raise international funding. At present, sanctions have been levied, and there is an ongoing threat of sanctions against, Russian individuals and entities, the impact of which are at this stage difficult to determine. The financial markets are uncertain and volatile. These and other events may have a significant impact on the Group's operations and financial position, the effect of which is difficult to predict.

14. Events after the reporting period

Currency devaluations

Since 30 June 2014, the Russian Ruble (RUB) has gradually devalued against the USD and other major currencies by approximately 8%. A 10% change in the RUB to USD exchange rate has a decreasing impact on the Group's Revenue and EBITDA of approximately 7%.