4Q and FY 2013 Presentation

Amsterdam, March 6, 2014

Jo Lunder - CEO
Andrew Davies - CFO

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This presentation contains “forward-looking statements”, as the phrase is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate to the Company's anticipated performance, expected capital expenditures, 2014 annual targets, network development, refinancing plans, potential future dividend payments and the Company’s ability to realize its strategic initiatives in the various countries of operation. The forward-looking statements included in this presentation are based on management’s best assessment of the Company’s strategic and financial position and of future market conditions and trends. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of continued volatility in the economies in our markets, unforeseen developments from competition, governmental regulation of the telecommunications industries, general political uncertainties in our markets and/or litigation with third parties. There can be no assurance that such risks and uncertainties will not have a material adverse effect on the Company. Certain factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in the Company’s Annual Report on Form 20-F for the year ended December 31, 2012 filed with the U.S. Securities and Exchange Commission (the “SEC”) and other public filings made by the Company with the SEC, which risk factors are incorporated herein by reference. The Company disclaims any obligation to update developments of these risk factors or to announce publicly any revision to any of the forward-looking statements contained in this release, or to make corrections to reflect future events or developments.

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4Q13 results impacted by regulatory measures and market slowdown

Service revenue
(USD billion)

5.3

Mobile customers
(million)

220

- Service revenue organic decline of 5% YoY
- Robust mobile data revenue growth
- Mobile customers increased[1] 4% YoY

EBITDA
(USD billion)

2.4

EBITDA margin[2]
(%)

42.7

- EBITDA organic decline of 2% YoY
- Strong EBITDA margin, up 1.6 p.p. YoY

1. *Customers 2012 has been adjusted for sale of Vietnam and Cambodia and adjustments in Algeria and Ukraine*
2. *EBITDA margin is EBITDA divided by total revenue; EBITDA and EBITDA margin are non-GAAP financial measures*

Stable underlying FY13 results

Service revenue
(USD billion)

21.5

EBITDA
(USD billion)

9.6

Net loss[1]
(USD billion)

1.4

EBITDA margin[2]
(%)

42.7

- Stable underlying revenue and EBITDA, excluding MTR cuts in Italy and one-off charges
- Service revenue organic decline of 2% YoY
- EBITDA organic decline of 1% YoY

- Strong EBITDA margin, up 0.3 p.p. YoY
- Net loss due to non-cash impairments of USD 3.0 billion, mainly of Ukraine and Canada

1. *Net loss attributable to VimpelCom shareholders*
2. *EBITDA margin is EBITDA divided by total revenue*

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Key recent developments

- Provided annual targets[1] for 2014
  - Stable Revenue and EBITDA
  - Net Debt / EBITDA of ~2.3x
  - CAPEX / Revenue of ~21%
- New dividend policy announced to support investments in future growth and deleveraging
- 3G services launched in Bangladesh
- 3G license in Algeria awarded and launch planned in 2Q14

1. The annual targets for 2014 assume constant currency, no major regulatory changes, no change to the asset portfolio and no major macro-economic changes

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Business Units Performance

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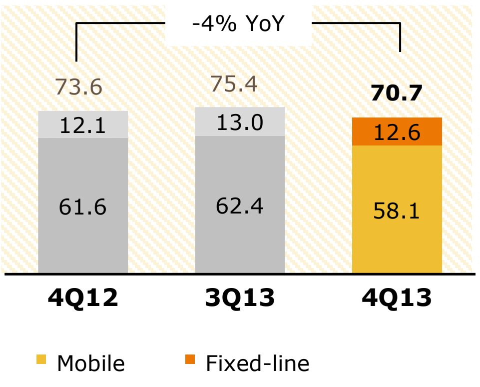
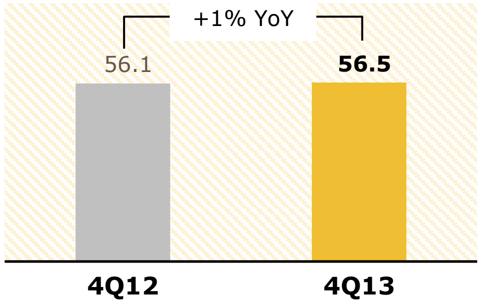
Russia 4Q13: Pressure on margins while investing in the future

RUB BILLION, UNLESS STATED OTHERWISE

Revenue

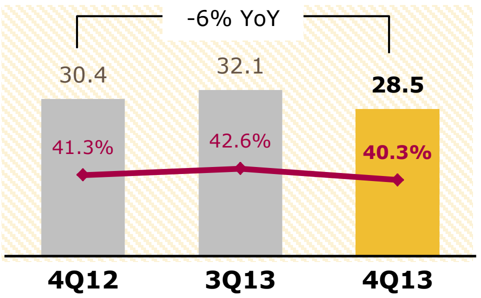


Mobile customers
(million)

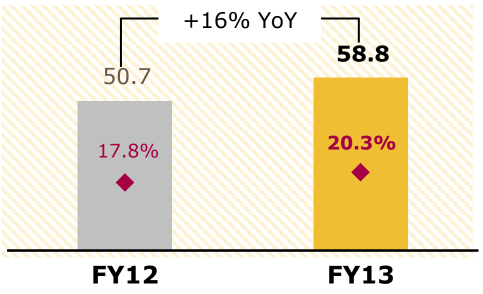


- Mobile service revenue decreased 2% YoY; adjusted for one-offs increased 0.3% YoY
- Mobile data revenue grew 25% YoY

EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- EBITDA declined due to lower revenue and investments in network and owned monobrand stores
- CAPEX: Up due to investments in 3G and 4G/LTE networks

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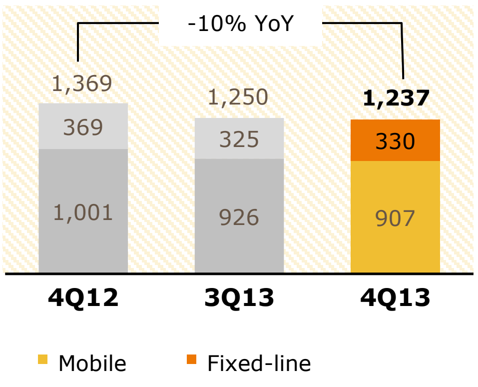
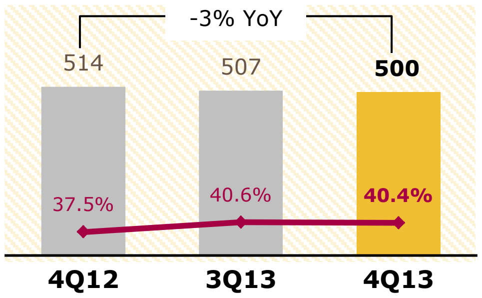
Italy 4Q13: Continued market outperformance

EUR MILLION, UNLESS STATED OTHERWISE

Revenue

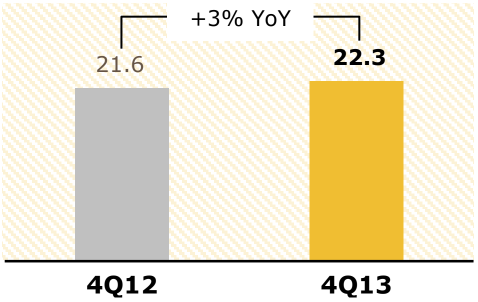


EBITDA and EBITDA margin

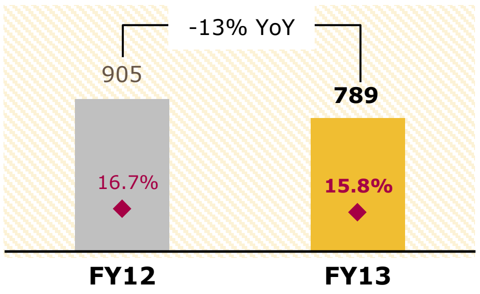


Mobile customers

(million)



CAPEX[1] and CAPEX/revenue



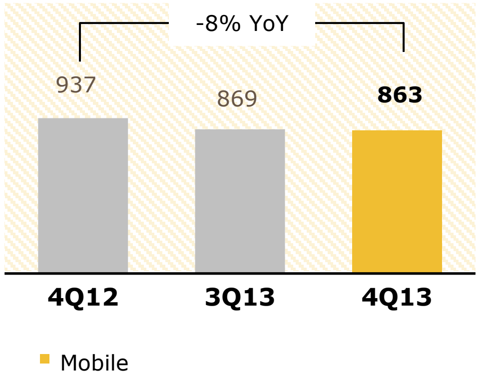
- Continued mobile market share increase
- Mobile broadband customers[2] up 50% YoY to 8.3 million
- Strong data revenue growth YoY:
  - Mobile broadband up 30%
  - Fixed broadband up 6%
- EBITDA margin increased 2.9 p.p. YoY due to cost savings
- CAPEX: Investments in HSPA+ and 4G/LTE networks

1. *CAPEX excluding licenses*
   CAPEX 2013 excludes €136 mln of non-cash increase in Intangible Assets related to the contract with Terna in relation to the Right of Way of WIND's backbone
2. *Mobile broadband includes consumer customers that have performed at least one mobile Internet event in the previous month*

Africa & Asia[1] 4Q13: Negative impact from regulatory measures, unstable macro environments and FOREX

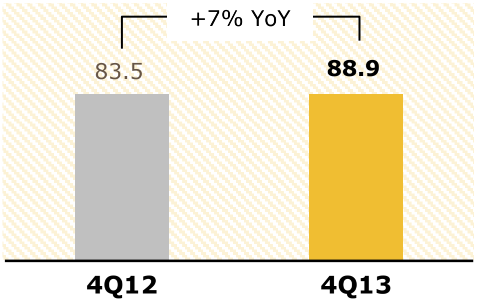
USD MILLION, UNLESS STATED OTHERWISE

Revenue



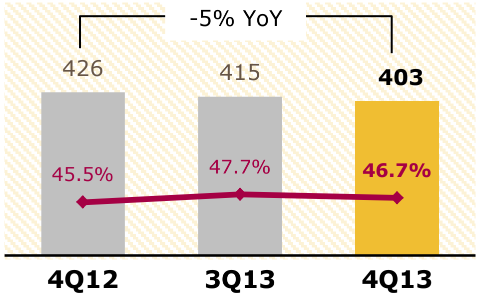
Mobile customers[2]

(million)

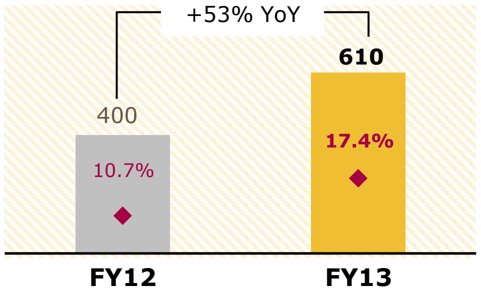


- Revenue and EBITDA organically declined 5% YoY and 3% YoY
- Unfavorable regulatory and governmental measures as well as unstable macro environments in Pakistan and Bangladesh

EBITDA and EBITDA margin



CAPEX[3] and CAPEX/revenue



- Strong mobile customer growth in all countries
- EBITDA margin up 1.2 p.p. YoY due to Operational Excellence measures
- CAPEX[3]: Network modernization in Pakistan, 3G licenses and roll-out in Algeria and Bangladesh

1. *This segment includes our operations in Algeria, Pakistan, Bangladesh, Sub-Saharan Africa and South East Asia*
2. *Following the sale of Vietnam and Cambodia the customer numbers for FY12 exclude Vietnam and Cambodia customers. In addition, the customer base in Algeria has been adjusted retroactively for the technical issue*
3. *CAPEX including 3G licenses of USD 110 million in Bangladesh and USD 38 million in Algeria*

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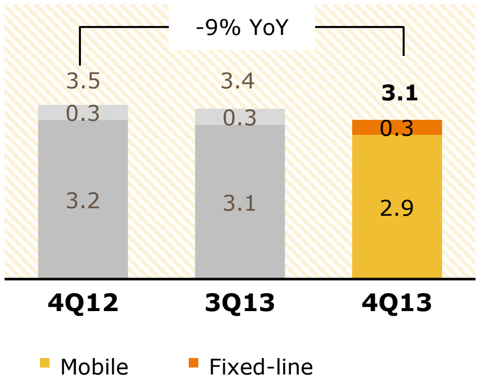
Ukraine 4Q13: Continued pressure on results, transformation program launched

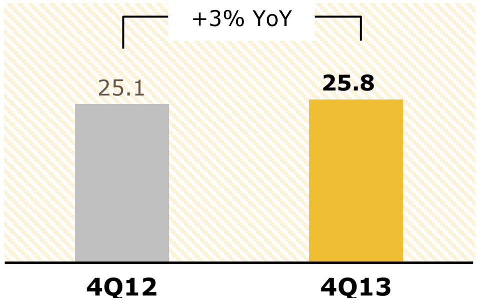
UAH BILLION, UNLESS STATED OTHERWISE

Revenue



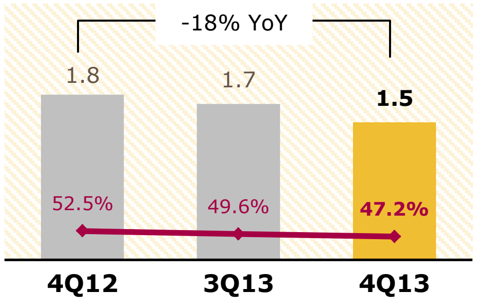
Mobile customers[1]

(million)

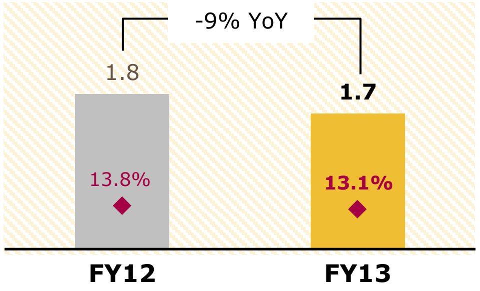


- Mobile service revenue decreased 9% YoY following the transition to lower priced bundled tariff plans
- Increase in customers due to improved propositions

EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- Strong EBITDA margin
- Solid operating cash flow margin of 33%
- CAPEX: Network modernization in order to prepare for future data growth

1. Customer base in 2012 has been adjusted for the alignment of the active customer base definition

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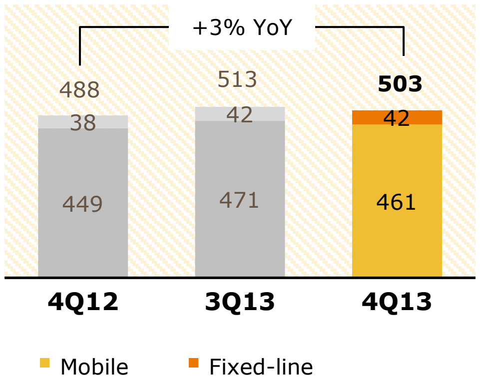
CIS[1] 4Q13: Solid results

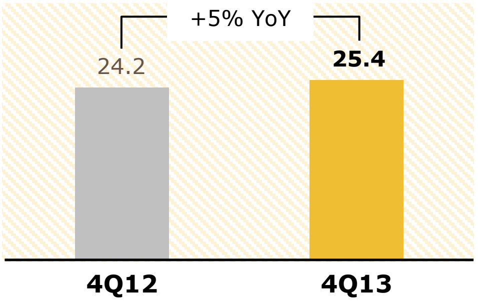
USD MILLION, UNLESS STATED OTHERWISE

Revenue



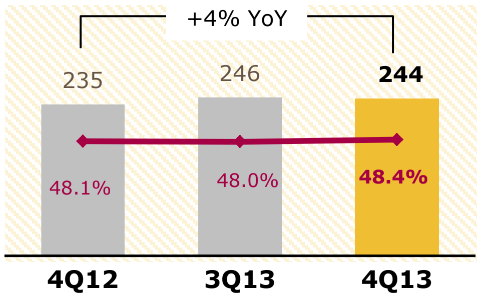
Mobile customers

(million)

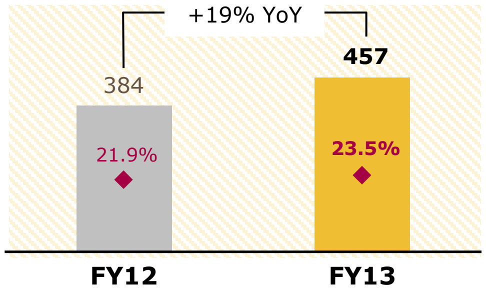


- Mobile service revenue increased 3% YoY driven by strong mobile data revenue growth of 39% YoY
- Mobile customers increased 5% YoY, mainly due to growth in Kazakhstan

EBITDA and EBITDA margin



CAPEX and CAPEX/revenue



- EBITDA increased organically 5% YoY
- Strong EBITDA margin
- CAPEX: Increase mainly due to network capacity investments in Uzbekistan

1. *This segment includes our operations in Kazakhstan, Uzbekistan, Armenia, Kyrgyzstan, Tajikistan and Georgia*

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Financial Highlights

Andrew Davies
CFO

Financial performance 4Q13

USD million	4Q13	4Q12 Restated [1]	YoY	
Revenue	**5,554**	**5,950**	**(7%)**	• Revenue decreased organically by 6% YoY
of which service revenue	*5,292*	*5,605*	*(6%)*	
EBITDA	**2,372**	**2,446**	**(3%)**	• EBITDA decreased organically by 2% YoY, mainly due to: ▸ MTR cuts in Italy ▸ VoIP deactivation in Bangladesh
EBITDA Margin	***42.7%***	***41.1%***	1.6pp	
D&A/Other	(1,339)	(1,351)	(1%)	
Impairments	(2,906)	(386)	n.m.	• Non-cash impairments mainly related to Ukraine and Canada
EBIT	**(1,873)**	**709**	**n.m.**	
Financial income / expenses	(511)	(484)	6%	
FOREX and Other	(265)	(67)	n.m.	• Contingencies and losses from JV's and associates
Profit/(Loss) before tax	**(2,649)**	**158**	**n.m.**	• Non-cash impairments of USD 2.9 billion
Tax	(372)	(195)	91%	• Due to an increase in tax contingencies, mainly on interest expenses
Non-controlling interest	361	232	n.m.	
Net income/(loss)[2]	**(2,660)**	**195**	**n.m.**	

1. *The FY12 Financial Statements have been restated for the Euroset fair value adjustment of USD 606 million*
2. *Net income/(loss) attributable to VimpelCom shareholders*

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Financial performance FY13

USD million	FY13	FY12 Restated[1]	YoY	
Revenue	**22,548**	**23,061**	**(2%)**	• Revenue organically stable, excluding one-off charges and MTR cuts
of which service revenue	*21,531*	*22,122*	*(3%)*	
EBITDA	**9,619**	**9,768**	**(2%)**	• EBITDA organically stable, excluding one-off charges and MTR cuts
EBITDA Margin	***42.7%***	***42.4%***	0.3pp	
D&A/Other	(4,955)	(5,211)	(5%)	• Declining amortization of intangible assets on customer relationships
Impairments	(2,973)	(386)	n.m	
EBIT	**1,691**	**4,171**	**(59%)**	• Effected by non-cash impairments, mainly of Ukraine and Canada
Financial income / expenses	(2,059)	(1,875)	10%	
FOREX and Other	(311)	(14)	n.m.	• Contingencies and losses from JV's and associates
Profit/(Loss) before tax	**(679)**	**2,282**	**n.m.**	• Effected by non-cash impairments
Tax	(1,179)	(906)	30%	
Non-controlling interest	434	163	n.m.	
Net income/(loss)[2]	**(1,424)**	**1,539**	**n.m**	

1. *The FY12 Financial Statements have been restated for the Euroset fair value adjustment of USD 606 million*
2. *Net income/(loss) attributable to VimpelCom shareholders*

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Effective tax rate analysis

USD million	FY13		FY12 Restated[1]	
Income/(Loss) before tax	**(679)**		**2,282**	
Dutch statutory tax rate	**(170)**	**25%**	**571**	**25%**
WHT on undistributed earnings	227		97	
Impairments	743		97	
Tax contingencies	112		85	
Prior year adjustments	44		(62)	
Non-deductible expenses & other	272		286	
Differing tax rates	(49)		(167)	
Actual tax charge	**1,179**	**(174%)**	**906**	**40%**

- Withholding taxes on intercompany dividends from Russia and CIS
- Non-deductible impairments, mainly of Ukraine and Canada
- Provision for uncertain position mainly related to interest expenses
- Change in tax recognition due to tax filing in 2013
  2012 positively affected by favorable changes in tax laws and prior year adjustments in Russia, Pakistan and CIS
- Change in mix of profit/(loss) recorded in different countries
- Normalized effective tax rate FY13: 35.6%

Increase in tax charge is due to non-cash items

The actual tax charge in FY13 is the result of the non-tax deductibility of impairments

1. *The FY12 Financial Statements have been restated for the Euroset fair value adjustment of USD 606 million*

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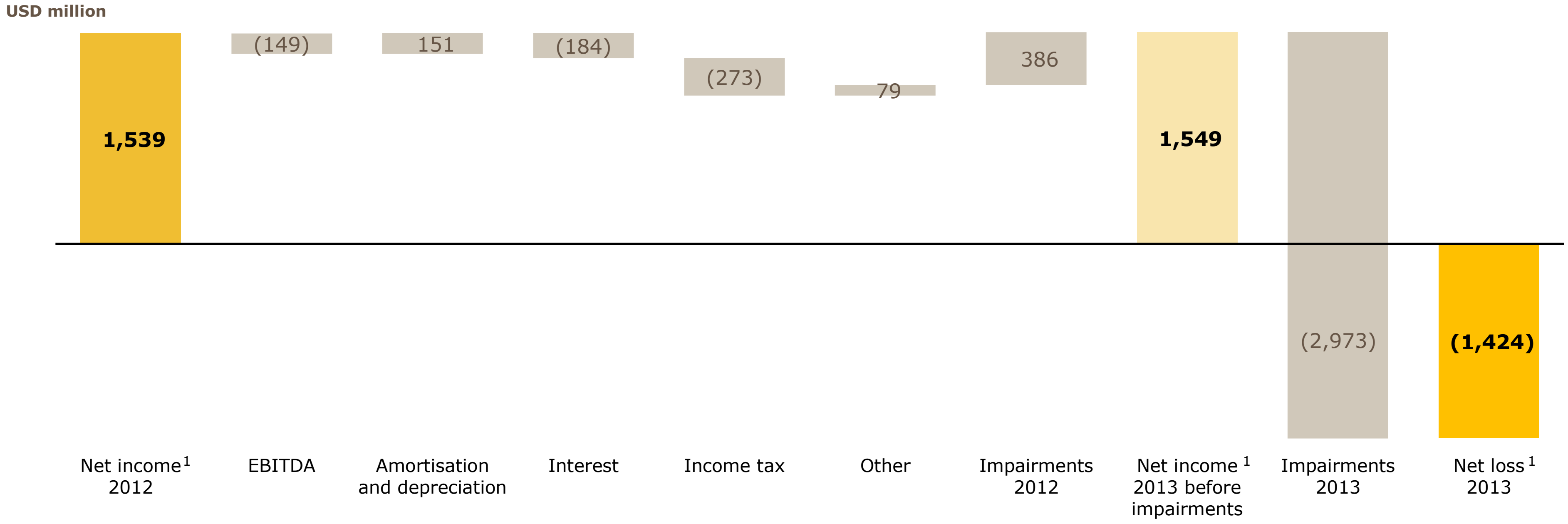
Net income FY13 impacted by non-cash impairments



Non-cash impairments:

- Ukraine: related to macro-economic developments, increase in country risk premium and weakening operational performance
- Canada: fully impaired due to the challenges faced in the country, resulting in strategic decision to withdraw from 4G/LTE spectrum auction

1. Net income/(loss) attributable to VimpelCom shareholders

Cash flow

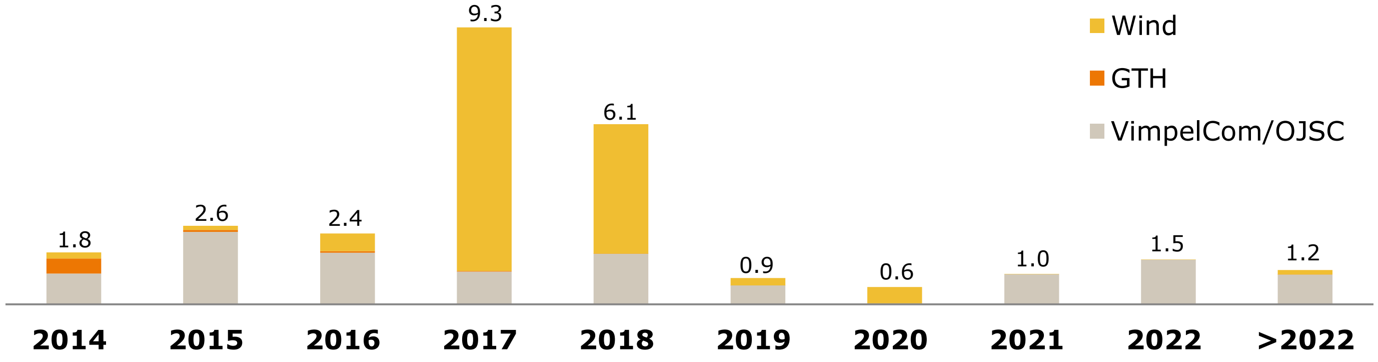
USD million	FY13	FY12 Restated[1]	YoY	
EBITDA	9,619	9,768	(149)	
CAPEX	(4.233)	(4.120)	(113)	
Operating cash flow	**5,386**	**5,648**	**(262)**	• Decline in EBITDA and accelerated investments for future growth
Net Interest paid	(2,047)	(1,761)	(286)	• Interest rate swaps unwound in 2012
Income tax paid	(1,265)	(1,231)	(34)	
Other operating changes [2]	322	715	(393)	• Positive in 2013 however less favorable than in 2012
Net cash from financing activities [3]	(334)	(638)	305	• Repayments of Italian borrowings in 2012
Disposal of subsidiaries, net of cash disposed	83	(75)	158	
Other investing activities	93	35	58	
Other financing activities	(12)	(31)	19	
Cash flow before distribution to shareholders	**2,226**	**2,662**	**(436)**	
Dividends paid to equity holders net of share capital issued	(2,663)	-	(2,663)	• Payment of interim and final dividends
Net increase in cash and cash equivalents	**(437)**	**2,662**	**(3,099)**	

1. *The FY12 Financial Statements have been restated for the Euroset fair value adjustment of USD 606 million*
2. *Other operating changes include change in working capital, non-cash movements in CAPEX and provisions*
3. *Receipts from/(payments on) deposits, loans granted and Proceeds from/(repayments of) borrowings*

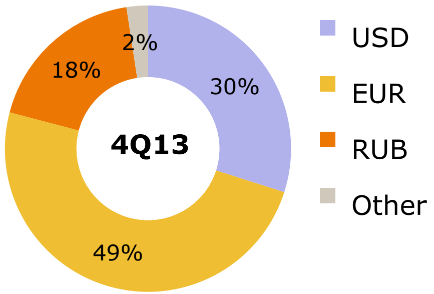
Maturity profile and FY13 ratios

Group debt maturity schedule as at 31 December 2013

USD billion



Debt composition by currency[1]



Net Debt/ EBITDA

2.3

Gross Debt/ EBITDA

2.9

Average Cost of Debt

8.3%

EBITDA / Financial income and expenses

4.7

1. *After effect of cross currency swaps*

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Sensitivity to FOREX movements

USD billion	FY13 figures		FOREX sensitivities[1] RUB vs. USD +/-10%	EUR vs. USD +/-10%	UAH vs. USD +/-10%
Revenue	22.5	Average FOREX	4%	3%	1%
EBITDA	9.6		4%	2%	1%
Gross Debt	27.5	Year-end FOREX	2%	5%	n.a.
Net Debt	22.6		2%	6%	n.a.

Manageable impact on the Group coming from potential FOREX movements

1. RUB vs USD +10% = 10% appreciation of the RUB compared to USD including existing FOREX hedges

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Conclusion

Jo Lunder
CEO

Stable underlying results in 2013

- Results impacted by competitive pressure, market slowdown, unstable macro environments, regulatory and governmental measures
- Continued strong mobile data revenue growth
- Ongoing transformation process in Russia
- Continued outperformance in a highly competitive Italian market
- High EBITDA margin and solid cash flow generation
- Investments for future growth

Q&A

Further information

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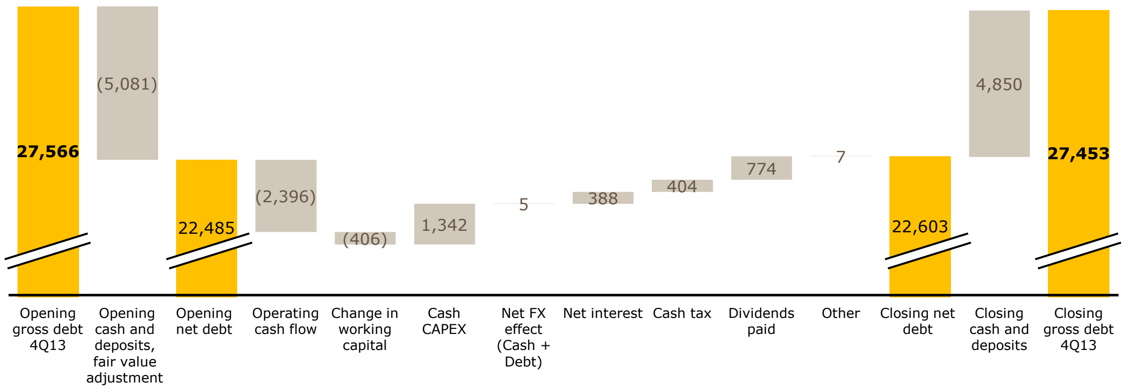
Thank you!

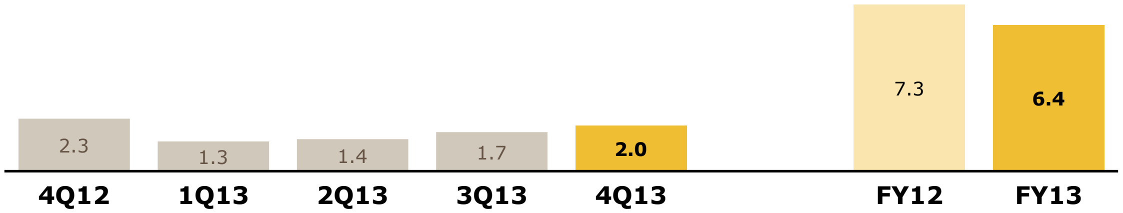
Appendices

Debt and cash

Consolidated cash and net debt development
Actual 4Q13 (USD million)



Net cash flow from operating activities
(USD billion)



During 4Q13:

- Repayment of USD Bond by Pakistan Mobile Communications Ltd for USD 0.1 billion
- Repayment of Sberbank loans by OJSC VimpelCom for RUB 2.6 billion (USD 0.1 billion)
- Draw down under CDB vendor financing facility by VimpelCom Amsterdam B.V. for USD 0.1 billion

Available headroom under committed revolving credit facilities as at the end of December 2013:

- EUR 300 million (USD 412 million) for Wind
- RUB 15 billion (USD 458 million) for Russia
- EUR 205 million (USD 281 million) and USD 225 million for VIP HQ

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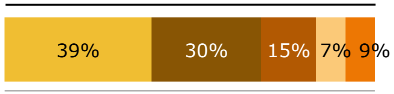
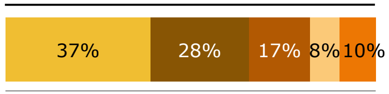
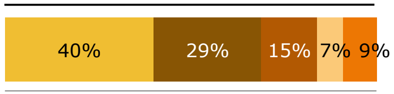
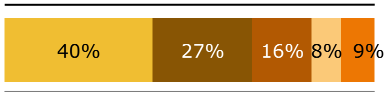
Revenue and EBITDA development in 4Q13 and FY13

4Q13					FY13			
Revenue YoY		EBITDA YoY			Revenue YoY		EBITDA YoY	
Organic	Reported	Organic	Reported		Organic	Reported	Organic	Reported
(4%)	(8%)	(6%)	(10%)	Russia	2%	(1%)	1%	(2%)
(10%)	(5%)	(3%)	1%	Italy	(8%)	(5%)	(6%)	(3%)
(5%)	(8%)	(3%)	(5%)	Africa & Asia	(3%)	(6%)	(1%)	(4%)
(9%)	(9%)	(18%)	(18%)	Ukraine	(4%)	(4%)	(9%)	(9%)
5%	3%	5%	4%	CIS	12%	11%	18%	17%
(6%)	**(7%)**	**(2%)**	**(3%)**	**Consolidated**	**(2%)**	**(2%)**	**(1%)**	**(2%S)**









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FOREX rates used in annual targets 2014

	Currency	FX rates versus USD
Algeria	DZD	81
Armenia	AMD	420
Bangladesh	BDT	80
Canada	CAD	1.05
Egypt	EGP	8.0
Georgia	GEL	1.7
Italy	EUR	0.80
Kazakhstan	KZT	155
Kyrgyzstan	KGS	47
Laos	LAK	8,000
Pakistan	PKR	110
Russia	RUB	32
United Kingdom	GBP	0.64
Ukraine	UAH	9.5
Zimbabwe	ZWD	325

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FOREX development

RATES OF FUNCTIONAL CURRENCY TO USD

	Average rates			Closing rates		
	4Q13	4Q12	YoY	FY13	FY12	YoY
Russian Ruble	32.53	31.08	(4.5%)	32.73	30.37	(7.2%)
Euro	0.73	0.77	4.8%	0.73	0.76	4.2%
Algerian Dinar	80.18	79.40	(1.0%)	78.38	78.94	0.7%
Pakistan Rupee	106.93	96.25	(10.0%)	105.33	97.14	(7.8%)
Bangladeshi Taka	77.67	81.08	4.4%	77.67	79.78	2.7%
Ukrainian Hryvnia	7.99	7.99	0.0%	7.99	7.99	0.0%
Kazakh Tenge	153.80	150.45	(2.2%)	153.61	150.74	(1.9%)
Armenian Dram	405.56	406.47	0.2%	405.64	403.58	(0.5%)
Kyrgyz Som	48.89	47.25	(3.4%)	49.25	47.40	(3.8%)

Source: National Banks of the respective countries, Company calculations

Reconciliation of EBITDA

USD million	4Q13	4Q12 Restated[1]	FY13	FY12 Restated[1]
Unaudited				
EBITDA	**2,372**	**2,446**	**9,619**	**9,768**
Depreciation	(823)	(758)	(3,063)	(2,926)
Amortization	(459)	(519)	(1,792)	(2,080)
Impaiment of Canada	(768)	(328)	(768)	(328)
Impaiment of Ukraine	(2,085)	-	(2,085)	-
Impairment loss	(53)	(58)	(120)	(58)
Loss on disposals of non-current assets	(57)	(74)	(100)	(205)
EBIT	**(1,873)**	**709**	**1,691**	**4,171**
Financial Income and Expenses	(511)	(484)	(2,059)	(1,875)
- including finance income	21	38	91	154
- including finance costs	(532)	(522)	(2,150)	(2,029)
Net foreign exchange (loss)/gain and others	(265)	(67)	(311)	(14)
- including Other non-operating (losses)/gains	(194)	(44)	(172)	(75)
- including Shares of loss of associates and joint ventures accounted for using the equity method	(47)	7	(159)	(9)
- including Net foreign exchange gain	(24)	(30)	20	70
EBT	**(2,649)**	**158**	**(679)**	**2,282**
Income tax expense	(372)	(195)	(1,179)	(906)
Profit/(loss) for the year	**(3,021)**	**(37)**	**(1,858)**	**1,376**
Profit/(loss) for the year attributable to non-controlling interest	(361)	(232)	(434)	(163)
Profit/(loss) for the year attributable to the owners of the parent	**(2,660)**	**195**	**(1,424)**	**1,539**

1. *The FY12 Financial Statements have been restated for the Euroset fair value adjustment of USD 606 million*

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Reconciliation of consolidated net debt

USD million	4Q12	3Q13	4Q13
Net debt	21,971	22,485	22,603
Cash and cash equivalents	4,949	4,890	4,454
Long-term and short-term deposits	67	191	396
Gross debt	26,987	27,566	27,453
Interest accrued related to financial liabilities	536	430	606
Fair value adjustment	-	-	-
Unamortised fair value adjustment under acquisition method of accounting	794	696	665
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	73	43	29
Derivatives not designated as hedges	453	489	204
Derivatives designated as hedges	237	218	271
Total other financial liabilities	29,080	29,442	29,228