VIMPELCOM REPORTS H1 2016 RESULTS IN LINE WITH EXPECTATIONS; FY16 GUIDANCE CONFIRMED

KEY RESULTS AND DEVELOPMENTS

- **Reported total revenue declined 16% YoY, organically[1] stable with strong growth in mobile data revenue of 26% YoY and strong performance in Pakistan and Ukraine, offset by Algeria weakness**
- **Reported EBITDA declined 26% YoY due to currency headwinds and exceptional items of USD 116 million, mainly related to Performance Transformation; underlying[2] EBITDA organically[1] increased 3% YoY with margin reaching 42.3%**
- **Profit for the period attributable to VimpelCom shareholders of USD 138 million, growing 29% YoY**
- **Pakistan transaction completed on 1 July 2016, strengthening our leadership position in the country**
- **Filed commitments to the EC regarding the proposed Italy JV and signed formal agreements with Iliad as a potential remedy taker; as of today no Statement of Objections received from the EC; EC decision expected by 8 September 2016**
- **FY16 guidance confirmed, albeit at lower end of range for service revenue and underlying EBITDA margin, while capex/revenue is trending towards 17%**

Amsterdam (4 August 2016) – VimpelCom Ltd. (NASDAQ: VIP), the international communications and technology company, which is committed to bringing the digital world to each and every customer, today announces financial and operating results for the quarter ended 30 June 2016. These results and the prior year numbers reflect the reclassification of Italy as an asset held for sale pursuant to the announcement of the joint venture with 3 Italia in August 2015.

JEAN-YVES CHARLIER, CHIEF EXECUTIVE OFFICER, COMMENTS:

"We are pleased to report that VimpelCom's financial performance is in line with expectations for the first half of the year in spite of weaker service revenue trends in the second quarter. Service revenue declined slightly by 0.7% while underlying EBITDA grew by 3% in the quarter on an organic basis. We saw particularly solid performances in Pakistan and Ukraine and mobile data revenue growth was also strong, up 26%, reflecting our strategic focus to transform our business from traditional voice and messaging to data and digital services. Profit for the period grew 29% and reached USD 138 million. Reported results however continue to be negatively impacted by adverse foreign exchange movements, although this effect is moderating.

In the past few months, we have reached major milestones in executing on our strategy to transform VimpelCom as we closed the transaction in Pakistan with Warid and announced a landmark partnership with Ericsson to invest USD 1 billion to overhaul our IT systems. Furthermore, we remain confident in securing approval from the European Commission for our joint venture in Italy, to merge Wind and 3 Italia, which we expect by the beginning of September. VimpelCom remains on track to achieve its financial targets for the year, although at the lower range for service revenue and underlying EBITDA margin, while the capex to revenue ratio is trending towards 17%."

CONSOLIDATED FINANCIAL AND OPERATING HIGHLIGHTS

(ITALY RECLASSIFIED AS AN ASSET HELD FOR SALE)

USD mln	2Q16	2Q15	Reported YoY	Organic[1] YoY	1H16	1H15	Reported YoY	Organic[1] YoY
Total revenue, of which	**2,156**	**2,570**	**(16%)**	**0.1%**	**4,179**	**4,882**	**(14%)**	**1.8%**
mobile and fixed service revenue	2,089	2,515	(17%)	(0.7%)	4,042	4,775	(15%)	0.8%
mobile data revenue	334	325	2%	25.5%	634	612	4%	26.1%
EBITDA	**795**	**1,069**	**(26%)**	**(9.0%)**	**1,553**	**2,006**	**(23%)**	**(5.9%)**
EBITDA underlying[2]	911	1,066	(14%)	3.0%	1,710	2,011	(15%)	2.1%
EBITDA margin underlying (EBITDA underlying / total revenue)	42.3%	41.5%	0.8p.p.	1.2p.p.	40.9%	41.2%	(0.3p.p.)	0.1p.p.
Profit/(loss) from continued operations	(39)	274	n.m		(2)	186	n.m	
Profit/(loss) from discontinued operations	187	(128)	n.m.		383	134	187%	
Profit/(loss) for the period attr. to VIP shareholders	**138**	**108**	**29%**		**326**	**292**	**12%**	
Capital expenditures excl. licenses	**306**	**462**	**(34%)**		**456**	**672**	**(32%)**	
LTM Capex excl. licenses/revenue	17.3%	19.3%	(2.0p.p.)					
Operating cash flow (EBITDA underlying less Capex)	**606**	**604**	**0%**		**1,254**	**1,339**	**(6%)**	
Operating cash flow margin (operating cash flow / total revenue)	28.1%	23.5%	4.6p.p.		30.0%	27.4%	2.6p.p.	
Net debt	6,575	5,831	13%					
Net debt /LTM EBITDA underlying	1.8	1.3						
Total mobile customers (millions)[3]	194.1	192.0						
Total fixed-line broadband customers (millions)[3]	3.2	3.4						

1) *"Organically" or "organic" as used herein shall mean EBITDA, net debt, underlying EBITDA, operating cash flow and organic growth, each of which are non-GAAP financial measures (see Attachment F for reconciliations); organic change reflects changes in revenue and EBITDA excluding foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions*
2) *Underlying EBITDA excludes transformation costs and material exceptional items, see Attachment F for reconciliations of non-GAAP measures*
3) *Excluding Italy*

For definitions used herein and not defined, please see Attachment E

CONTENTS

PRESENTATION OF FINANCIAL RESULTS

VimpelCom's results presented in this earnings release are based on IFRS and have not been audited.
Certain amounts and percentages that appear in this earnings release have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including those in tables, may not be an exact arithmetic aggregation of the figures that precede or follow them.

All non GAAP measures disclosed further in the document, i.e. EBITDA, EBITDA margin, underlying EBITDA, underlying EBITDA margin, EBIT, net debt, operating cash flow, organic growth, capital expenditures excluding licenses, LTM Capex excluding licenses/Revenue, are reconciled to comparable GAAP measures in the Attachment F.

All comparisons are on a year-on-year basis unless otherwise stated.

MAIN EVENTS Q2 2016

- **VimpelCom and Dhabi Group announced the completion of the Mobilink and Warid transaction in Pakistan**
- **Filing of commitments to EC and formal agreements signed with Iliad by VimpelCom and CK Hutchison Holdings**
- **VimpelCom and Ericsson entered into a USD 1 billion long term global software partnership**
- **Djezzy awarded license to provide 4G/LTE services in Algeria**
- **Continued strengthening of senior management team**

VIMPELCOM AND DHABI GROUP COMPLETED MOBILINK AND WARID TRANSACTION IN PAKISTAN (1 JULY 2016)

VimpelCom, Global Telecom Holding, together with Warid Telecom Pakistan and Bank Alfalah (Dhabi Group shareholders), completed the transaction to merge Mobilink and Warid, creating Pakistan's next generation digital telecommunications provider. Over 50 million customers in Pakistan will benefit from high-speed mobile telecommunications and a best-in-class digital mobile network. The combined Mobilink and Warid entity will be the leading telecommunications provider of 2G, 3G and 4G/LTE services in Pakistan, providing higher quality national voice and data coverage, faster downloads, and a wider portfolio of products and services.

With the completion of the transaction, Chief Executive Officer Jeffrey Hedberg handed over the CEO role of Mobilink and Warid to Aamir Ibrahim, previously Chief Commercial Officer and Deputy CEO of Mobilink.

FILING OF COMMITMENTS TO EC AND FORMAL AGREEMENTS SIGNED WITH ILIAD BY VIMPELCOM AND CK HUTCHISON HOLDINGS (6 JULY 2016)

VimpelCom and CK Hutchison Holdings formally submitted commitments to the European Commission regarding the proposed merger of their telecoms businesses in Italy, WIND Telecomunicazioni and 3 Italia. The commitments include the sale of spectrum and sites and an undertaking to provide other services including national roaming from the merged entity to enable a new mobile network operator to enter the Italian market. Furthermore, VimpelCom and CK Hutchison Holdings entered into formal agreements with Iliad as a potential remedy taker. The agreements with Iliad are subject to the European Commission's approval.

VimpelCom remains confident of securing regulatory approval from the European Commission, which is expected by 8 September 2016. As of today, no Statement of Objections has been received from the EC.

VIMPELCOM AND ERICSSON ENTERED INTO A USD 1 BILLION LONG-TERM GLOBAL SOFTWARE PARTNERSHIP (13 JUNE 2016)

VimpelCom entered into a USD 1 billion long-term global software partnership with Ericsson that will radically transform VimpelCom's global IT infrastructure.

The partnership encompasses a complete overhaul of VimpelCom's customer-facing IT infrastructure across 11 countries and 12 time zones - on a scale that is amongst the largest and most ambitious in the industry's history. VimpelCom will digitalize and globalize its Business Support Systems infrastructure using Ericsson's new software and cloud technologies. The agreement reflects VimpelCom's commitment to bringing the best services to its customers through innovative solutions and industry collaborations. The agreement will accelerate product and service development, while the delivery and use of near real-time analytics will allow greater personalization of services for customers. In addition, a simpler user interface will also enhance the customer experience on all levels. The agreement with Ericsson will also contribute to the reduction by more than 50 percent of VimpelCom IT expenses (opex and capex) by year three, down to a ratio of around 2 percent of Group total revenue.

DJEZZY AWARDED LICENSE TO PROVIDE 4G/LTE SERVICES IN ALGERIA (24 MAY 2016)

Djezzy, the market-leading subsidiary in Algeria, has been awarded one of three licenses to provide 4G/LTE services in the country. Djezzy has the largest network in Algeria with the widest coverage and plans to invest significantly to upgrade its networks further. This includes modernizing 2G services and completing the full deployment of 3G in all 48 of Algeria's wilayas (provinces) by the end of 2016.

CONTINUED STRENGTHENING OF SENIOR MANAGEMENT TEAM

As we move forward with our transformation plans, we are continuing to strengthen our management team and our compliance function. VimpelCom announced the appointment of Kjell Morten Johnsen as Head of Major Markets. In this new role, Kjell will be a member of the Group Executive Committee responsible for VimpelCom's businesses in Russia and Italy. Kjell has extensive international expertise in senior roles across a variety of industries with responsibility for markets such as Russia, Scandinavia and Central and Eastern Europe. Kjell joins VimpelCom from Telenor, where he was head of Telenor Europe with previous roles as CEO of Telenor Serbia as well as Senior Vice President & Head of Telenor Russia, Telenor Central & Eastern Europe. He was also a member of VimpelCom Ltd's Supervisory Board from 2011 until 2015 and the PJSC's Board of Directors from 2007 to 2013.

VimpelCom also announced the appointment of Dan Chapman as Group Chief Compliance Officer. Dan has extensive experience developing and implementing ethics and compliance programs. He joined VimpelCom from Cameron International Corporation, where he was Vice President, Chief Ethics and Compliance Officer. Prior to joining Cameron in 2014, Dan was Chief Compliance Officer and Counsel for Parker Drilling.

GROUP PERFORMANCE Q2 2016

- **Total revenue organically stable YoY**
- **Reported EBITDA declined 26% YoY mainly due to currency headwinds and exceptional items of USD 116 million, mainly related to Performance Transformation. Underlying EBITDA organically increased 3% YoY**
- **Profit for the period attributable to VimpelCom shareholders of USD 138 million, growing 29% YoY**

FINANCIALS BY COUNTRY

USD mln	2Q16	2Q15	Reported YoY	Organic YoY	Forex	1H16	1H15	Reported YoY	Organic YoY	Forex
Total revenue	**2,156**	**2,570**	**(16%)**	**0%**	**(16%)**	**4,179**	**4,882**	**(14%)**	**2%**	**(16%)**
Russia	1,013	1,292	(22%)	(2%)	(20%)	1,903	2,359	(19%)	(1%)	(18%)
Algeria	251	328	(23%)	(15%)	(9%)	529	650	(19%)	(8%)	(11%)
Pakistan	285	257	11%	14%	(3%)	558	506	10%	13%	(3%)
Bangladesh	157	151	4%	5%	(1%)	312	298	5%	6%	(1%)
Ukraine	146	154	(5%)	11%	(16%)	281	305	(8%)	12%	(19%)
Uzbekistan	164	175	(6%)	8%	(14%)	329	342	(4%)	11%	(15%)
Other	140	213	(34%)			266	422	(37%)		
Service revenue	**2,089**	**2,515**	**(17%)**	**(1%)**	**(16%)**	**4,042**	**4,775**	**(15.3%)**	**0.8%**	**(16%)**
Russia	985	1,257	(22%)	(2%)	(20%)	1,837	2,292	(20%)	(2%)	(18%)
Algeria	248	326	(24%)	(15%)	(9%)	524	645	(19%)	(8%)	(11%)
Pakistan	269	244	10%	13%	(3%)	526	481	9%	13%	(3%)
Bangladesh	152	149	2%	3%	(1%)	305	294	4%	5%	(1%)
Ukraine	145	153	(5%)	11%	(16%)	280	304	(8%)	11%	(19%)
Uzbekistan	164	175	(6%)	8%	(14%)	329	342	(4%)	11%	(15%)
Other	126	210	(40%)			241	417	(42%)		
EBITDA	**795**	**1,069**	**(26%)**	**(9%)**	**(17%)**	**1,553**	**2,006**	**(23%)**	**(6%)**	**(17%)**
Russia	414	524	(21%)	(1%)	(20%)	742	944	(21%)	(4%)	(18%)
Algeria	128	175	(27%)	(18%)	(8%)	286	344	(17%)	(6%)	(11%)
Pakistan	115	106	8%	11%	(3%)	231	202	14%	18%	(3%)
Bangladesh	69	63	8%	9%	(1%)	139	123	13%	14%	(1%)
Ukraine	80	70	15%	34%	(19%)	151	133	14%	38%	(24%)
Uzbekistan	94	113	(17%)	(4%)	(13%)	194	217	(11%)	3%	(14%)
Other	(105)	17	n.m.			(190)	42	n.m		
EBITDA margin	**36.9%**	**41.6%**	**(4.7p.p.)**			**37.2%**	**41.1%**	**(3.9p.p.)**		
EBITDA underlying	**911**	**1,066**	**(14%)**	**3%**	**(17%)**	**1,710**	**2,011**	**(15%)**	**2%**	**(17%)**
Russia	417	524	(20%)	(0%)	(20%)	745	944	(21%)	(3%)	(18%)
Algeria	128	175	(27%)	(18%)	(8%)	287	344	(17%)	(6%)	(11%)
Pakistan	129	103	25%	29%	(3%)	249	207	20%	24%	(4%)
Bangladesh	75	63	18%	19%	(1%)	149	123	21%	22%	(1%)
Ukraine	80	70	15%	34%	(19%)	151	133	14%	38%	(24%)
Uzbekistan	94	113	(17%)	(4%)	(13%)	191	217	(12%)	1%	(14%)
Other	(12)	17	n.m.	n.m.	n.m.	(61)	42	n.m.	n.m.	n.m.
EBITDA margin underlying	**42.3%**	**41.5%**	**0.8p.p.**	**1.2p.p.**		**40.9%**	**41.2%**	**(0.3p.p.)**	**0.1p.p.**	

Total Group revenue for Q2 2016 decreased 16% year-on-year to USD 2.2 billion due to adverse currency movements, while it marginally increased organically, driven by positive performance in Pakistan and Ukraine, offset by negative performance mainly in Algeria. Service revenue decreased 0.7% organically, due to a decrease in voice revenue, partly offset by strong growth in mobile data revenue of 26% on an organic basis. Total mobile customers increased by two million to 194 million at the end of Q2 2016, due to strong customer growth in Pakistan.

Group EBITDA reported in Q2 2016 declined 26% to USD 795 million due to currency headwinds and exceptional items of USD 116 million. Underlying EBITDA was USD 911 million, an organic increase of 3%. The exceptional items primarily relate to the Group-wide Performance Transformation program. In Q2 2015, VimpelCom recognized positive exceptional items totaling USD 3 million, related to one-off in utility costs, partially offset by SIM re-verification costs in Pakistan. The reconciliation table for EBITDA and underlying EBITDA is set forth in Attachment F.

In **Russia**, service revenue organically decreased 2% mainly due to a reduction in fixed-line service revenue. Fixed-line service revenue decreased organically by 10% mainly as a result of corporate customers changing their contracts from U.S. dollar to ruble together with lower B2C revenue. Mobile service revenue decreased organically by 0.4% to RUB 54.7 billion, driven by lower voice and roaming revenue, due to an average price per minute reduction, almost fully offset by strong organic growth in mobile data revenue of 20%. Beeline's mobile customer base expanded marginally to 57.4 million.

EBITDA decreased 1% in Russia. Underlying EBITDA was broadly organically stable YoY, adjusted for exceptional costs of RUB 177 million related to the Performance Transformation program in Q2 2016. The decrease in revenue, which was driven by the negative impact of ruble depreciation, affecting roaming and interconnect costs, was offset by cost savings related to the Performance Transformation program.

In **Algeria**, service revenue organically decreased 15% in Q2 2016, due to the combined impact of the historic 3G coverage shortfalls and the SMP ("Significant Market Player") designation, sub-optimal changes in billing increments, low sales due to change in commission structure and the shift in Ramadan by almost two weeks.

Underlying EBITDA organically decreased 18%, due to the decrease in revenue, leading to an underlying EBITDA margin of 51%.

In **Pakistan**, mobile service revenue organically increased 13%, despite the shift in the Ramadan calendar, which had a negative impact of 0.8% for the Q2 2016 comparison. This growth was generated across all revenue streams, but primarily in data revenue, which grew 55%.

Underlying EBITDA increased organically by 29% and EBITDA margin increased 5.2 percentage points to 45% in Q2 2016, outpacing the revenue growth on the back of cost control.

In **Bangladesh**, service revenue increased 3% organically, mainly attributable to increasing voice revenue and a 60% increase in data revenue. The slow-down in the revenue trend is mainly due to the introduction of another 2% supplementary duty on recharges from June 2016 on top of the additional 1% surcharge from March 2016.

Underlying EBITDA organically grew 19% YoY, driven by revenue growth and Performance Transformation initiatives, particularly in human resources and commercial costs.

In **Ukraine**, service revenue grew organically 11% YoY, as a result of successful commercial activities and the strong growth of mobile data revenue resulting from the launch of 3G from Q2 2015 onwards.

Underlying EBITDA organically increased 34% in Q2 2016 and EBITDA margin grew 9.3 percentage points to 55.0%, driven by higher revenue, lower interconnect costs and lower structural opex.

In **Uzbekistan**, service revenue organically increased 8%, mainly as a result of the impact of Beeline´s price plans being denominated in U.S. dollars, increased interconnect revenue and 10% growth of mobile data revenue.

Underlying EBITDA decreased organically by 3.9% and EBITDA margin decreased 7.2 percentage points to 57.1%, mainly driven by the increased customer tax and opex. The increase in customer tax to UZS 1,500 per customer from UZS 750 negatively impacted EBITDA margin by 4.4 percentage points.

In **Other,** we have included the results of Kazakhstan, Kyrgyzstan, Armenia, Georgia, Tajikistan, intercompany eliminations and HQ costs.

INCOME STATEMENT ELEMENTS & CAPITAL EXPENDITURES

USD mln	2Q16	2Q15	YoY	1H16	1H15	YoY
Total revenue	**2,156**	**2,570**	**(16%)**	**4,179**	**4,882**	**(14%)**
Service revenue	2,089	2,515	(17%)	4,042	4,775	(15%)
EBITDA	**795**	**1,069**	**(26%)**	**1,553**	**2,006**	**(23%)**
EBITDA margin	**36.9%**	**41.6%**	**(4.7p.p.)**	**37.2%**	**41.1%**	**(3.9p.p.)**
Depreciation, amortization and other	(512)	(538)	(5%)	(966)	(1,168)	(17%)
EBIT	**283**	**530**	**(47%)**	**587**	**838**	**(30%)**
Financial income and expenses	(187)	(190)	(2%)	(355)	(404)	(12%)
Net foreign exchange (loss)/gain and others	(0)	(11)	(97%)	18	(112)	(116%)
Profit/(loss) before tax	**96**	329	**n.m**	**250**	321	**n.m**
Income tax expense	(135)	(55)	144%	(252)	(136)	86%
Profit/(loss) from continued operations	**(39)**	**274**	**n.m**	**(2)**	**186**	**n.m**
Profit/(loss) from discontinued operations	**187**	**(128)**	**n.m**	**383**	**134**	**187%**
Profit for the period attributable to VimpelCom shareholders	**138**	**108**	**29%**	**326**	**292**	**12%**

	2Q16	2Q15	YoY	1H15	1H16	YoY
Capex expenditures	347	591	(41%)	542	854	(37%)
Capex expenditures excl licenses	306	462	(34%)	456	672	(32%)
LTM Capex excl licenses/revenue	17.3%	19.3%	(2.0p.p.)			

EBIT was lower year-on-year in Q2 2016 at USD 283 million due to the lower reported EBITDA, slightly offset by lower impairment charges and lower depreciation and amortization, as a result of currency headwinds.

Profit before tax decreased to USD 96 million as a result of lower EBIT, while financial expenses and foreign exchange losses remained almost unchanged.

Income tax expense increased in Q2 2016 to USD 135 million due to a shift in the mix of profit generation with a higher proportion coming from higher tax countries and also the change in the tax regime in Uzbekistan, which caused an effective tax rate in that country of above 50% from 2016 onwards. In Q2 2015, the Company recorded a positive effect of USD 75 million on deferred taxes as a result of legal entity restructurings, which caused the year on year comparison to worsen. In addition, the Q2 2016 effective tax rate was impacted by the creation of non-cash tax provisions in Tajikistan and GTH, amounting to USD 26 million.

Profit from discontinued operations increased to USD 187 million in Q2 2016, due to the elimination of depreciation and amortization charges from the results in Italy as of Q3 2015, as Italy was classified as held for sale under IFRS rules. Italy standalone results improved due to the refinancing activities completed in 2015.

Profit for the period attributable to VimpelCom shareholders was USD 138 million, which was negatively impacted by exceptional items amounting to USD 116 million at EBITDA level and a higher effective tax rate.

Capex decreased 41% to USD 347 million in Q2 2016, primarily as a result of currency depreciation and Performance Transformation program, leading to a LTM capex to revenue ratio of 17%. The Company will maintain its strategy of investing in high-speed data networks to capture mobile data growth, including the continued roll-out of 4G/LTE networks in Russia and Algeria and 3G networks in Algeria, Bangladesh, Pakistan and Ukraine.

FINANCIAL POSITION & CASH FLOW

USD mln	2Q16	1Q16	QoQ
Total assets	34,888	33,969	3%
Shareholders' equity	4,365	4,045	8%
Gross debt	10,560	9,686	9%
Net debt	6,575	6,407	3%
Net debt / underlying LTM EBITDA	1.8	1.7	

USD mln	2Q16	2Q15	YoY	1H16	1H15	YoY
Net cash from / (used in) operating activities	**679**	**801**	**(122)**	**442**	**37**	**405**
from continued operations	427	688	(261)	67	(187)	255
from discontinued operations	252	113	139	375	224	150
Net cash from / (used in) investing activities	**(626)**	**(807)**	**181**	**(1,177)**	**(757)**	**(420)**
from continued operations	(405)	(601)	196	(765)	(1,081)	316
from discontinued operations	(221)	(206)	(15)	(412)	324	(736)
Net cash from / (used in) financing activities	**693**	**(2,279)**	**2,972**	**719**	**(1,140)**	**1,860**
from continued operations	693	(2,095)	2,790	729	(449)	1,178
from discontinued operations	0	(182)	182	(10)	(691)	682

Gross debt increased 9% quarter-on-quarter by USD 874 million mainly due to USD 1.2 billion of newly issued GTH bonds, partially offset by debt repayments in Russia of USD 0.3 billion and the RUB appreciation against the USD.

Net debt increased 3% quarter-on-quarter, mainly due to the ruble appreciation against the U.S. dollar while net cash inflow from operating activities exceeded net cash flow used in investing activities.

Net cash from operating activities decreased in Q2 2016 by USD 122 million mainly due to the year-on-year reduction in EBITDA which was negatively affected by currency movements with some mitigation from lower interest payments and the cash inflow from operating activities from discontinued operations.

Net cash flow used in investing activities decreased by USD 181 million mainly due to lower cash capital expenditures, partially offset by a loan granted to Warid of USD 81 million as part of the closing of the transaction in Pakistan, which was made in order to repay part of Warid's debt structure.

Net cash used in financing activities was positive in Q2 2016, due to the cash inflow from newly issued bonds at GTH, partially offset by repayments in Russia. In Q2 2015, the net cash used in financing activities was related to the USD bonds tender settlement of USD 1.8 billion, the repayment of an Italian Government loan of USD 0.2 billion and the repayment of a Sberbank loan for another USD 0.2 billion.

COUNTRY PERFORMANCE – Q2 2016

- Russia
- Algeria
- Pakistan
- Bangladesh
- Ukraine
- Uzbekistan
- Italy

RUSSIA

RUB mln	2Q16	2Q15	YoY	1H16	1H15	YoY
Total revenue	66,700	68,035	(2%)	133,034	134,311	(1%)
Mobile service revenue	54,732	54,926	(0%)	107,389	107,075	0%
Fixed-line service revenue	10,123	11,235	(10%)	20,985	23,435	(10%)
EBITDA	27,269	27,536	(1%)	51,679	53,666	(4%)
EBITDA underlying	27,446	27,536	(0%)	51,909	53,666	(3%)
EBITDA margin	40.9%	40.5%	0.4p.p.	38.8%	40.0%	(1.1p.p.)
EBITDA underlying margin	41.1%	40.5%	0.7p.p.	39.0%	40.0%	(0.9p.p.)
Capex excl. licenses	7,191	11,164	(36%)	10,372	16,343	(37%)
LTM Capex excl. licenses /revenue	16.6%	18.3%	(1.7p.p.)			
Mobile						
Total revenue	56,539	56,758	(0%)	111,947	110,781	1%
- of which mobile data	12,584	10,473	20%	24,773	20,677	20%
Customers (mln)	57.4	57.2	0%			
- of which data users (mln)	33.6	30.8	9%			
ARPU (RUB)	304	316	(4%)			
MOU (min)	337	320	5%			
Data usage (MB/user)	1,907	1,490	28%			
Fixed-line						
Total revenue	10,161	11,278	(10%)	21,087	23,530	(10%)
Broadband revenue	2,471	3,060	(19%)	5,281	6,228	(15%)
Broadband customers (mln)	2.0	2.2	(11%)			
Broadband ARPU (RUB)	391	451	(13%)			

The macro-economic slowdown and weakened ruble continued to negatively impact revenue growth and profitability in Russia. In addition, competition has increased during 2016 and the Company expects the environment to remain challenging for the remainder of the year.

Beeline's mobile customer base marginally increased year-on-year to 57.4 million in Q2 2016. Annualized churn increased 5 percentage points to 56%. NPS was stable, while relative NPS continued to improve, positioning Beeline on par among the three largest operators.

Total service revenue in Q2 2016 declined 2% to RUB 64.8 billion, mainly as a result of a decline in fixed-line service revenue. Mobile service revenue decreased 0.4% to RUB 54.7 billion, driven by lower voice and roaming revenue, due to an average price per minute reduction as existing customers continued to migrate to the Company's current price plans. Mobile data revenue continued to grow strongly, increasing 20% to RUB 12.6 billion, attributable to the active bundle promotion, increased smartphone penetration and customer traffic growth.

Fixed-line service revenue decreased by 10% to RUB 10.1 billion mainly as a result of corporate customers changing their contracts from U.S. dollar to ruble together with lower B2C revenue.

In Russia, reported EBITDA decreased 1% to RUB 27.3 billion. Underlying EBITDA was broadly stable, adjusted for exceptional costs of RUB 177 million related to the Performance Transformation program in Q2 2016. The effect of the decrease in revenue and negative impact of the depreciation of the ruble, which impacted roaming and interconnect costs, was offset by cost savings as a result of the Performance Transformation initiatives.

Capex excluding licenses decreased 36% to RUB 7.2 billion, largely due to phasing, together with capital efficiency improvements, mainly as a result of savings from centralizing procurement on a global basis. The LTM capex to revenue ratio for Q2 2016 was 17%.

ALGERIA

DZD bln	2Q16	2Q15	YoY	1H16	1H15	YoY
Total revenue	27.4	32.2	(15%)	57.5	62.2	(8%)
Mobile service revenue	27.2	32.0	(15%)	56.9	61.8	(8%)
of which mobile data	1.7	1.1	53%	3.5	1.9	85%
EBITDA	14.0	17.2	(18%)	31.1	32.9	(6%)
EBITDA underlying	14.0	17.2	(18%)	31.1	32.9	(6%)
EBITDA margin	51.1%	53.4%	(2.4p.p.)	54%	53%	1.2p.p.
EBITDA underlying margin	51.2%	53.4%	(2.3p.p.)	54%	53%	1.2p.p.
Capex excl. licenses	4.7	4.5	4%	7.6	8.8	(13%)
LTM Capex excl. licenses/revenue	14.9%	17.3%	(2.3p.p.)			
Mobile						
Customers (mln)	16.3	17.1	(4%)			
- of which mobile data customers (mln)	5.4	2.7	98%			
ARPU (DZD)	542	617	(12%)			
MOU (min)	333	387	(14%)			
Data usage (MB/user)	304	273	11%			

Although Djezzy's operations delivered strong margins during the second quarter, the Company continued to experience significant pressure on results. The decrease in revenue was not only due to the shift in Ramadan calendar (June 2016 included 24 days of Ramadan, while June 2015 included 12 days of Ramadan) but was also caused by continued customer churn and ARPU erosion. The Company expects this pressure to continue for the remainder of the year, as it will take time to stabilize its commercial proposition and its customer base.

VimpelCom's customer base in Algeria decreased 4% year-on-year to 16.3 million and ARPU declined by 12% due to the combined impact of historic 3G coverage shortfalls, sub-optimal changes in Q2 2016 to billing increments and the commission structure for indirect distribution, both of which were partially corrected in Q2 2016, together with forced migrations from legacy tariffs from late 2015 onwards. In addition, Q2 2016 ARPU was impacted by the shift in Ramadan which caused a 2.3% ARPU decrease for the quarter.

As a result, Djezzy's Q2 2016 service revenue was DZD 27.2 billion, down 15%, while data revenue continued to strongly grow by 53%, due to the higher usage and substantial increase in data customers as a result of the 3G network roll-out.

The Company is taking further measures to improve performance and stabilize the customer base, including distribution transformation and monobrand roll-out, new simple offers aligned with customer needs, promoting micro campaigns with tailored services to increase satisfaction, data monetization activities and smartphone promotions coupled with bundle offers.

In Q2 2016, EBITDA decreased 18% to DZD 14.0 billion due to the decrease in revenue. EBITDA margin remained strong at 51% due to commercial and network costs optimization as well as a decline in personnel costs, driven by headcount reduction.

Today Djezzy has the largest network in Algeria with the widest coverage and plans to invest significantly to upgrade its networks further. In Q2 2016, Djezzy continued to roll-out in new regions and, as a result, Djezzy's 3G network covers 41 wilayas (provinces) while full 3G deployment across all 48 of Algeria's wilayas is expected to be complete by the end of 2016. In Q2 2016, capex was DZD 4.7 billion, a 4% increase, while the LTM capex to revenue ratio was 15%.

In May 2016, Djezzy was awarded one of three licenses to provide 4G/LTE services in the country. The Company expects to launch high-speed 4G/LTE in autumn 2016 with the opportunity to win back high value customers. As part of the preparations for this launch, the Company is modernizing and upgrading existing sites to a single-RAN architecture and to date 1,000 sites have already been upgraded. Djezzy is also upgrading its network to an all-IP enabled technology in order to address the expected increase in data traffic.

PAKISTAN

PKR bln	2Q16	2Q15	YoY	1H16	1H15	YoY
Total revenue	29.8	26.2	14%	58.4	51.5	13%
Mobile service revenue	28.1	24.9	13%	55.1	48.8	13%
of which mobile data	3.2	2.1	55%	6.7	4.0	67%
EBITDA	12.0	10.8	11%	24.2	20.6	18%
EBITDA underlying	13.5	10.5	29%	26.0	21.0	24%
EBITDA margin	40.2%	41.3%	(1.1p.p.)	41.4%	39.9%	1.4p.p.
EBITDA underlying margin	45.4%	40.2%	5.2p.p.	44.6%	40.8%	3.8p.p.
Capex excl. licenses	3.6	8.1	(56%)	4.9	10.7	(54%)
LTM Capex excl. licenses /revenue	16.8%	29.3%	(12.4p.p.)			
Mobile						
Customers (mln)	39.1	33.4	17%			
- of which mobile data customers (mln)	19.4	14.8	31%			
ARPU (PKR)	233	225	4%			
MOU (min)	677	658	3%			
Data usage (MB/user)	292	298	(2%)			

Mobilink's market position continued to improve in Q2 2016, demonstrating strong performance with double-digit YoY revenue and EBITDA growth.

In Q2 2016, Mobilink's revenue increased 14% with mobile service revenue increasing by 13% to PKR 28 billion, despite the shift in Ramadan which had a negative year-on-year impact of 0.8% in the quarter. Mobilink continues to show voice and SMS revenue growth, which is not only a result of customer growth, but also due to price adjustments that led to an ARPU increase. Data revenue grew by 55% due to successful data monetization initiatives, including attractive bundle offers and unification of the tariff portfolio, together with continued 3G network expansion.

Mobilink's customer base increased 17% in 2Q 2016, driven through a continued focus on price simplicity, distribution and transparency for its customers. The company sees data and voice monetization as the key priorities, underpinned by the best network in terms of both quality of service and coverage.

In order to stimulate the growth of smartphone penetration, in Q2 2016 Mobilink continued to promote co-branded devices from low end feature phones to high end smartphones and tablets under the 'Jazz X' brand. Mobilink also invested in its distribution capabilities through launching mono-brand stores and establishing strategic partnerships with leading handset suppliers.

The company now offers 3G in over 350 cities in Pakistan, many of which previously had no access to broadband services. As a result, Mobilink continues to lead the market with over 19.4 million mobile data customers.

MFS revenue continued to show good growth of 56% due to an increase in over-the-counter (OTC) transactions and higher agent activity. As a result, MFS revenue now represents 3.5% of service revenue.

Underlying EBITDA margin increased 5.2 percentage points to 45.4% in Q2 2016, and underlying EBITDA for 2Q 2016 increased 29% to PKR 13.5 billion due to Performance Transformation benefits and scale effects.

Capex decreased to PKR 3.6 billion in Q2 2016 with a LTM capex to revenue ratio of 17% and Mobilink continues to invest in its high-speed 3G network roll-out. Mobilink has also successfully completed the network swap, an action of the global procurement program in order to improve pricing and technical support activities.

In July 2016, VimpelCom closed the transaction to merge Mobilink with Warid Telecom, creating the leading high-speed mobile operator in Pakistan. Over 50 million customers in Pakistan will benefit from high-speed mobile telecommunications and a best-in-class digital mobile network. The combined Mobilink and Warid entity will be the leading telecommunications provider of 2G, 3G and 4G/LTE services in Pakistan, providing higher quality national voice and data coverage, faster downloads and a wider portfolio of products and services. For the year to 30 June 2016, Warid reported PKR 37 billion in revenue and an EBITDA margin of 20%. Warid's net debt as of 30 June 2016 was PKR 37 billion (USD 350 million), excluding an intercompany loan granted by Mobilink. From July 2016 onwards, Warid's numbers will be consolidated into VimpelCom's accounts.

BANGLADESH

BDT bln	2Q16	2Q15	YoY	1H16	1H15	YoY
Total revenue	12.3	11.8	5%	24.5	23.2	6%
Mobile service revenue	11.9	11.6	3%	23.9	22.9	5%
of which mobile data	1.2	0.7	60%	2.2	1.4	60%
EBITDA	5.4	4.9	9%	10.9	9.6	14%
EBITDA underlying	5.8	4.9	19%	11.7	9.6	22%
EBITDA margin	43.7%	41.9%	1.8p.p.	44.5%	41.2%	3.2p.p.
EBITDA underlying margin	47.5%	41.9%	5.6p.p.	47.8%	41.2%	6.6p.p.
Capex excl. licenses	2.6	2.5	3%	3.9	3.4	14%
LTM Capex excl. licenses /revenue	22.6%	26.0%	(3.4p.p.)			
Mobile						
Customers (mln)	31.1	32.0	(3%)			
- of which mobile data customers (mln)	14.5	13.7	6%			
ARPU (BDT)	126	120	5%			
MOU (min)	316	300	5%			
Data usage (MB/user)	167	60	178%			

Banglalink continued to demonstrate YoY growth in Q2 2016 in both revenue and EBITDA despite the shift in Ramadan and intense market competition.

In Q2 2016, Banglalink's total revenue increased 5% year-on-year to BDT 12.3 billion. The increase in revenue was mainly driven by continued increases in voice revenue, primarily as a result of traffic growth, coupled with a 60% increase in data revenue. This data revenue growth was driven by 6% growth in data users and data usage growth of 178%, supported by expanding 3G coverage and smartphone penetration. Despite aggressive price competition, Banglalink's ARPU increased 5% mainly on the back of growing voice and data traffic. The relative deceleration of the year-on-year revenue growth rate was primarily caused by the imposition of an incremental 2% supplementary duty on recharges from June 2016 on top of the additional 1% surcharge from March 2016.

The main operational focus during the quarter was the ongoing SIM re-verification program. This government-mandated initiative started in December 2015 and requires each mobile phone operator to verify all customers using fingerprints in order to ensure authentic registration, proper accountability and enhanced security.

Banglalink is one of the leaders in this mobile security initiative, and managed to verify 93% of customers representing almost 100% of its revenue. This re-verification initiative will also provide a solid and secure customer base to develop new revenue from mobile financial services as part of our digital strategy.

However, this program contributed to a slowdown of acquisition activity across the market in H1 2016 and also resulted in the blocking of unverified SIMs in June 2016, both of which resulted in a 3% decline in the customer base at the end of Q2 2016.

In Q2 2016, the company's underlying EBITDA, excluding one-offs which were mainly related to the Performance Transformation program and SIM re-verification costs, grew 19% to BDT 5.8 billion driven by both the revenue growth and Performance Transformation initiatives, particularly in human resources and commercial costs. As a result, the underlying EBITDA margin was 47.5%, which represents a 5.6 percentage point increase.

Capex increased 3% to BDT 2.6 billion in Q2 2016, while the LTM capex to revenue ratio was 23%. Banglalink continues to invest in efficient data networks with 50% of the population covered by the 3G network at the end of Q2 2016, up from 33% at year-end 2015.

UKRAINE

UAH mln	2Q16	2Q15	YoY	1H16	1H15	YoY
Total revenue	3,689	3,315	11%	7,157	6,407	12%
Mobile service revenue	3,399	3,069	11%	6,598	5,921	11%
Fixed-line service revenue	262	238	10%	520	471	11%
EBITDA	2,027	1,512	34.0%	3,848	2,790	38%
EBITDA underlying	2,027	1,512	34.0%	3,828	2,790	37%
EBITDA margin	54.9%	45.6%	9.3p.p.	53.8%	43.5%	10.2p.p.
EBITDA underlying margin	55.0%	45.6%	9.3p.p.	53.5%	43.5%	9.9p.p.
Capex excl. licenses	727	1,176	(38%)	975	1,919	(49%)
LTM Capex excl. licenses/revenue	18.4%	23.0%	(4.6p.p.)			
Mobile						
Total operating revenue	3,427	3,077	11%	6,636	5,936	12%
of which mobile data	544	304	79%	1,040	585	78%
Customers (mln)	25	26	(2%)			
of which data customers(mln)	10.3	10.9	(5%)			
ARPU (UAH)	44	39	14%			
MOU (min)	559	530	5%			
Data usage	283	154	83%			
Fixed-line						
Total operating revenue	262	238	10%	520	471	11%
Broadband revenue	151	132	14%	298	249	20%
Broadband customers (mln)	0.8	0.8	(1%)			
Broadband ARPU (UAH)	62	54	15%			

Kyivstar continued to deliver strong results in Q2 2016, despite a challenging macro-economic environment, with the Company maintaining its clear NPS leadership in the market. However, competition has intensified and the Company expects this to further intensify going forward.

Total service revenue increased 11% year-on-year to UAH 3.7 billion in Q2 2016. Mobile service revenue grew 11% to UAH 3.4 billion as a result of strong growth of mobile data revenue and successful commercial activities. Mobile data revenue experienced strong growth of 79% driven by the continued 3G roll-out, active promotions of smartphones and data-oriented tariff plans.

Kyivstar´s mobile customer base decreased 2% to 25.4 million in Q2 2016, mainly as a result of a customer decline in eastern Ukraine in 2H 2015. On an annual basis, churn improved by two percentage points to 18%.

Fixed-line service revenue increased 10% to UAH 262 million, supported by fixed residential broadband (FTTB) revenue, which continued to outgrow the market, increasing 14%, driven primarily by FTTB re-pricing.

EBITDA increased 34% to UAH 2.0 billion in Q2 2016 and EBITDA margin grew 9.3 percentage points to 55.0%, driven by higher revenue, lower interconnect costs and lower structural opex, which was partially offset by an increase in frequency fees due to the 3G license, higher utility and rental costs, and the impact on opex of a negative currency depreciation.

Kyivstar continued to roll-out its 3G network in Q2 2016, reaching 48% population coverage, up from 35% at year-end 2015. Q2 2016 capex was UAH 727 million with a LTM capex to revenue ratio of 18%, and LTM operating cash flow margin, defined as EBITDA less capex, at a strong level of 34% in Q2 2016.

UZBEKISTAN

UZS bln	2Q16	2Q15	YoY	1H16	1H15	YoY
Total revenue	479	442	8%	947	851	11%
Mobile service revenue	475	439	8%	940	844	11%
- of which mobile data	94	85	10%	184	169	9%
Fixed-line service revenue	3	3	(3%)	7	7	0%
EBITDA	273	284	(4%)	558	541	3%
EBITDA underlying	273	284	(4%)	549	541	1%
EBITDA margin	57.1%	64.3%	(7.2p.p.)	58.9%	63.5%	(4.6p.p.)
EBITDA underlying margin	57.1%	64.3%	(7.2p.p.)	58.0%	63.5%	(5.6p.p.)
Capex excl. licenses	47	3	n.m.	132	3	n.m.
Capex excl. licenses LTM/revenue	14.2%	6.7%	7.4p.p			
Mobile						
Customers (mln)	9.3	10.3	(9%)			
- of which mobile data customers (mln)	4.3	5.0	(13%)			
ARPU (UZS)	16,720	14,092	19%			
MOU (min)	522	553	(6%)			
Data usage (MB/user)	226	167	35%			

Beeline remains the clear leader in a market that is experiencing increased competition, driven by the launch of two new mobile operators in 2015. The Company also improved its position in NPS and became the co-leader among the mobile operators. In addition, the Company renewed its license for another 15 years, after it received approval from the telecom regulator.

Mobile service revenue increased 8% year-on-year to UZS 475 billion mainly as a result of the impact of Beeline´s price plans being denominated in U.S. dollars, together with increased interconnect revenue and mobile data revenue growth, which increased 10% driven by increased smartphone penetration and promotions, notwithstanding a year-on-year decrease in mobile data customers. Mobile data ARPU grew 5% and total mobile ARPU increased 19%. The overall customer base decreased 9% to 9.3 million, with annualized churn increasing five percentage points to 49% as a result of increased competition.

EBITDA decreased 3.9% to UZS 273 billion and EBITDA margin decreased 7.2 percentage points to 57.1%, primarily driven by increased customer-based taxes and structural opex. The increase in customer tax to UZS 1,500 from UZS 750 per customer per month negatively impacted EBITDA margin by 4.4 percentage points.

Capex was UZS 47 billion and the LTM capex to revenue ratio was 14% resulting from a 14% growth in 3G sites. LTM operating cash flow margin, defined as EBITDA less capex, was at a strong level of 42% in Q2 2016.

Beeline expects competition to further intensify while the increased customer tax will continue to impact EBITDA throughout 2016. The Company aims to maintain its leading market position in Uzbekistan by focusing on customer retention and high value customers.

ITALY (RECLASSIFIED AS AN ASSET HELD FOR SALE)

EUR mln	2Q16	2Q15	YoY	1H16	1H15	YoY
Total revenue	1,092	1,082	1%	2,156	2,160	(0%)
Mobile service revenue	714	720	(1%)	1,418	1,425	(1%)
Fixed-line service revenue	264	277	(5%)	527	556	(5%)
EBITDA	399	397	0%	780	804	(3%)
EBITDA margin	37%	37%	(0.1p.p.)	36%	37%	(1.0p.p.)
Capex excl. licenses	191.6	185.7	3.2%	363.9	357.9	1.7%
LTM Capex excl. licenses/revenue	17.8%	17.9%	(0.1p.p.)			
Mobile						
Total revenue	824	799	3%	1,620	1,580	2%
- of which mobile data	179	159	13%			
Customers (mln)	20.9	21.4	(2%)			
- of which data customers (mln)	11.7	11.0	6%			
ARPU (EUR)	11.3	11.2	1%			
MOU (min)	280	275	2%			
Data usage (MB)	1,905	1,436	33%			
Fixed-line						
Total revenue	268	283	(5%)	536	580	(8%)
Total voice customers (mln)	2.8	2.8	(1%)			
ARPU (EUR)	26.9	27.9	(4%)			
Broadband customers (mln)	2.3	2.2	5%			
Broadband ARPU (EUR)	20.9	21.2	(1%)			
Dual-play customers (mln)	2.1	2.0	8%			

Total revenue in Q2 2016 grew 0.9% year-on-year to EUR 1.1 billion, driven by a strong performance in mobile revenue, improving 3.0% due to the increase in mobile handset sales of 41% resulting from the success of WIND's "Telefono Incluso" bundles, partially compensating for the weaker results in the fixed-line business. Service revenue declined 1.9% with the relative year-on-year trends in both the mobile and fixed-line business continuing to improve quarter-on-quarter.

In Q2 2016, mobile service revenue declined 0.8%, still showing an improving trend compared to the decline in Q1 2016, when adjusted for the leap year effect. Mobile data revenue rose 12.8% to EUR 179 million, with the mobile data user base reaching 11.7 million users, representing a 6.3% increase.

Mobile ARPU for Q2 2016 continued to show positive momentum, growing by 0.8% to EUR 11.3, with data ARPU improving by 6.1%, now representing 43.6% of total ARPU and more than offsetting the decline of voice revenue.

In Q2 2016, fixed-line service revenue declined 4.8% to EUR 264 million from the continued market trend of fixed to mobile substitution, which resulted in a double digit decline of voice volumes, coupled with a further decrease in indirect customer base.

The direct fixed-line customer base increased by 3.7%, with LLU component growing at 2.5%, almost completely offsetting the decline of the indirect segment.

In Q2 2016, the growing preference of customers for lower monthly fee bundles, including unlimited DSL and pay per use voice, became more evident. The performance in the voice segment was offset by solid results in fixed LLU broadband, with revenue up 6.4% to EUR 128 million, driven by a broadband customer base increase of 5.1%, with the dual-play segment growing by a solid 8.3%.

WIND's EBITDA in Q2 2016 increased 0.5% to EUR 399 million, in line with total revenue growth, as a result of which the 2Q 2016 EBITDA margin was stable year-on-year at 36.6%.

In Q2 2016, WIND invested EUR 192 million, primarily in the expansion of the 4G/LTE network, as well as increasing the capacity and coverage of the existing HSPA+ network. 4G/LTE network now covers 62% of the population, up from 56% at year-end 2015.

In April 2016, WIND signed a strategic and commercial partnership with Enel Open Fiber for the nationwide development of the ultra-broadband fixed line network. In May 2016, the first customers were connected in Perugia and the FTTH deployment will start in Bari, Catania, Cagliari and Venice by September 2016.

CONFERENCE CALL INFORMATION

On 4 August 2016, VimpelCom will host an analyst & investor conference call on its Q2 2016 results at 2:00 pm CET (1:00 pm BST). The call and slide presentation may be accessed at http://www.vimpelcom.com.

2:00 pm CET investor and analyst conference call

US call-in number: + 1 (877) 280 2342
Confirmation Code: 1178854

International call-in number: + 1 (646) 254 3362
Confirmation Code: 1178854

The conference call replay and the slide presentation webcast will be available until 18 August 2016.
The slide presentation will also be available for download on VimpelCom's website.

Investor and analyst call replay

US Replay Number: +1 (866) 932 5017
Confirmation Code: 1178854

UK Replay Number: 0 800 358 7735
Confirmation Code: 1178854

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DISCLAIMER

This press release contains “forward-looking statements”, as the phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Forward-looking statements are not historical facts, and include statements relating to, among other things, the Company’s anticipated performance and guidance for 2016; future market developments and trends; expected synergies and timing of completion of the Italy joint venture; realization of the synergies of the Warid Telecom transaction; operational and network development and network investment, including expectations regarding the roll out and benefits of 4G/LTE networks in Russia and Algeria, anticipated timing of roll-out and benefits from 3G services in Algeria, Bangladesh, Pakistan and Ukraine and the Company’s ability to realize its targets and strategic initiatives in the various countries of operation. The forward-looking statements included in this release are based on management’s best assessment of the Company’s strategic and financial position and of future market conditions, trends and other potential developments. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of continued volatility in the economies in our markets; unforeseen developments from competition; governmental regulation of the telecommunications industries; general political uncertainties in our markets; government investigations or other regulatory actions and/or litigation with third parties; failure to satisfy or waive the conditions to completion of the Italy joint venture; failure to obtain the requisite regulatory approvals or the receipt of approvals on terms not acceptable to the parties to the Italy joint venture; failure of the expected benefits of the Italy joint venture and the Warid Telecom transaction to materialize as expected or at all due to, among other things, the parties’ inability to successfully implement integration strategies or otherwise realize the anticipated synergies, and other risks beyond the parties’ control and failure to meet expectations regarding various strategic initiatives, including, but not limited to, the Performance Transformation program, the effect of foreign currency fluctuations, increased competition in the markets in which VimpelCom operates and the effect of consumer taxes on the purchasing activities of consumers of VimpelCom´s services. Certain other factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in the Company’s Annual Report on Form 20-F for the year ended December 31, 2015 filed with the SEC and other public filings made by the Company with the SEC. The forward-looking statements speak only as of the date hereof, and the Company disclaims any obligation to update them 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.

ABOUT VIMPELCOM

VimpelCom (NASDAQ: VIP) is an international communications and technology company, headquartered in Amsterdam, and driven by a vision to unlock new opportunities for customers as they navigate the digital world. Present in some of the world’s most dynamic markets, VimpelCom provides more than 200 million customers with voice, fixed broadband, data and digital services. VimpelCom’s heritage as a pioneer in technology is the driving force behind a major transformation focused on bringing the digital world to each and every customer. VimpelCom offers services to customers in 14 markets including Russia, Italy, Algeria, Pakistan, Uzbekistan, Kazakhstan, Ukraine, Bangladesh, Kyrgyzstan, Tajikistan, Armenia, Georgia, Laos, and Zimbabwe. VimpelCom operates under the “Beeline”, “WIND”, “Djezzy”, “Mobilink”, “Kyivstar”, “banglalink” and “Telecel” brands.

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CONTENT OF THE ATTACHMENTS

For more information on financial and operating data for specific countries, please refer to the supplementary file Factbook2Q2016.xls on VimpelCom's website at http://vimpelcom.com/Investor-relations/Reports--results/Results/.

ATTACHMENT A: VIMPELCOM LTD INTERIM FINANCIAL SCHEDULES

VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

USD mln	2Q16	2Q15	1H16	1H15
Total operating revenues	**2,156**	**2,570**	**4,179**	**4,882**
of which other revenues	31	19	57	36
Operating expenses				
Service costs, equipment and accessories	474	565	919	1,078
Selling, general and administrative expenses	887	937	1,706	1,797
Depreciation	391	386	723	784
Amortization	113	135	225	261
Impairment loss	4	13	12	112
Loss on disposals of non-current assets	5	4	6	11
Total operating expenses	**1,873**	**2,040**	**3,592**	**4,044**
Operating profit/(loss)	**283**	**530**	**587**	**838**
Finance costs	205	202	385	429
Finance income	(18)	(12)	(31)	(24)
Other non-operating losses/(gains)	23	66	61	75
Shares of loss/(profit) of associates and joint ventures accounted for using the equity method	12	6	16	(11)
Net foreign exchange (gain)/ loss	(34)	(60)	(95)	48
Profit /(loss) before tax	**96**	**329**	**250**	**321**
Income tax expense	135	55	252	136
Profit/ (loss) from continued operations	(39)	274	(2)	186
Profit/ (loss) from discontinued operations	187	(128)	383	134
Profit/(loss) for the period	**147**	**146**	**381**	**319**
Non-controlling interest	(9)	(38)	(55)	(27)
The owners of the parent	138	108	326	292

ATTACHMENT A: VIMPELCOM LTD INTERIM FINANCIAL SCHEDULES

VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD mln	30 June 2016	31 March 2016
Assets		
Non-current assets		
Property and equipment	6,220	6,211
Intangible assets	2,185	2,170
Goodwill	4,449	4,358
Investments in associates and joint ventures	210	211
Deferred tax asset	124	150
Income Tax advances, non-current	13	17
Financial assets	333	175
Other non-financial assets	119	118
Total non-current assets	**13,653**	**13,410**
Current assets		
Inventories	92	91
Trade and other receivables	790	700
Other non-financial assets	427	366
Current income tax asset	254	283
Other financial assets	194	287
Cash and cash equivalents	3,635	2,928
Total current assets	**5,391**	**4,656**
Assets classified as held for sale	15,843	15,902
Total assets	**34,888**	**33,969**
Equity and liabilities		
Equity		
Equity attributable to equity owners of the parent	4,365	4,045
Non-controlling interests	77	153
Total equity	**4,442**	**4,198**
Non-current liabilities		
Debt	8,031	7,911
Other financial liabilities	51	70
Provisions	163	355
Other non-financial liabilities	92	81
Deferred tax liability	377	380
Total non-current liabilities	**8,714**	**8,796**
Current liabilities		
Trade and other payables	1,561	1,508
Dividends payable to the owners and NCI	69	0
Debt	2,529	1,775
Other financial liabilities	207	233
Other non-financial liabilities	1,137	1,160
Current income tax payable	21	40
Provisions	417	197
Total current liabilities	**5,941**	**4,914**
Liabilities associated with assets held for sale	15,791	16,061
Total equity and liabilities	**34,888**	**33,969**

ATTACHMENT A: VIMPELCOM LTD INTERIM FINANCIAL SCHEDULES

VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

USD mln	2Q16	2Q15	1H16	1H15
Operating activities				
Profit after tax	(39)	274	(2)	186
Income tax expenses	135	55	252	136
Profit before tax	**96**	**329**	**250**	**321**
Non-cash adjustment to reconcile profit before tax to net operating cash flows:				
Depreciation	391	386	723	784
Amortization	113	135	225	261
Impairment loss	4	13	12	112
Loss/(Gain) From disposal of non current assets	5	4	6	11
Finance income	(18)	(12)	(31)	(24)
Finance cost	205	202	385	429
Other non operating losses / (Gains)	22	69	59	80
Net foreign exchange loss / (gain)	(34)	(60)	(95)	48
Share of loss of associates and joint ventures	12	6	16	(11)
Movements in provisions and pensions	17	14	(798)	(1,134)
Changes in working capital	(149)	(112)	(136)	(186)
Net interest paid	(157)	(192)	(359)	(455)
Net interest received	19	12	31	23
Income tax paid	(98)	(105)	(223)	(446)
Changes due to discontinued operations from operating activity	252	113	375	224
Net cash from/(used in) operating activities	**679**	**801**	**442**	**37**
Proceeds from sale of property and equipment	6	3	8	7
Proceeds from sale of intangible assets	(0)	0	(0)	1
Purchase of property, plant and equipment	(178)	(394)	(516)	(756)
Purchase of licenses	(67)	(135)	(111)	(163)
Purchase of other intangible assets	(31)	(75)	(88)	(134)
Outflow for loan granted	(80)	(0)	(82)	(101)
Inflow from loan granted	0	100	0	102
Inflows/(outflows) from financial assets	(49)	13	(47)	74
Inflows/(outflows) from deposits	(6)	(112)	70	(112)
Acquisition of a subsidiary, net of cash acquired	(0)	-	0	0
Proceeds from sales of share in subsidiaries, net of cash	(0)	(0)	(0)	0
Receipt of dividends	-	-	-	0
Discontinued operations in investing activity	(221)	(206)	(412)	324
Net cash from/(used in) investing activities	**(626)**	**(807)**	**(1,177)**	**(757)**
Net proceeds from exercise of share options	0	1	0	2
Acquisition of non-controlling interest	-	-	-	-
Gross proceeds from borrowings	1,375	310	1,874	1,113
Fees paid for the borrowings	(20)	(0)	(26)	(0)
Repayment of borrowings	(664)	(2,390)	(1,120)	(3,815)
Dividends paid to equity holders	(0)	(0)	(0)	(0)
Proceeds from sale of treasury stock	-	-	-	-
Dividends paid to non-controlling interests	-	(0)	-	(57)
Proceeds from sale of non-controlling interests	1	(18)	1	2,307
Discontinued operations in financing activity	0	(182)	(10)	(691)
Net cash from/(used in) financing activities	**693**	**(2,277)**	**719**	**(1,140)**
Net increase/(decrease) in cash and cash equivalents	**746**	**(2,283)**	**(16)**	**(1,860)**
Cash and cash equivalent at beginning of period	2,928	6,499	3,614	6,342
Net foreign exchange difference related to continued operations	(9)	(2)	(10)	(243)
Net foreign exchange difference related to discontinued operations	(5)	6	5	(19)
Cash and cash equivalent reclassified as Held for Sale at the beginning of the period	246		314	
Cash and cash equivalent reclassified as Held for Sale at the end of the period	(272)		(272)	
Cash and cash equivalent at end of period	3,635	4,220	3,635	4,220

ATTACHMENT B: DEBT OVERVIEW

AS AT JUNE 30, 2016

Type of debt/original lenders	Interest rate	Debt currency	Outstanding debt (mln)	Outstanding debt (USD mln)	Maturity date	Guarantor
VimpelCom Holdings B.V.						
Notes	6.25%	USD	349	349	01.03.2017	PJSC VimpelCom
Notes	7.50%	USD	1,280	1,280	01.03.2022	PJSC VimpelCom
Notes	9.00%	RUB	12,000	187	13.02.2018	PJSC VimpelCom
Notes	5.20%	USD	571	571	13.02.2019	PJSC VimpelCom
Notes	5.95%	USD	983	983	13.02.2023	PJSC VimpelCom
VimpelCom Amsterdam B.V.						
Loan from AO Alfa Bank	1 month LIBOR plus 3.15%	USD	500	500	17.04.2017	VimpelCom Holdings B.V.
Loan from AO Alfa Bank	1 month LIBOR plus 3.15%	USD	500	500	03.05.2017	VimpelCom Holdings B.V.
Loan from China Development Bank Corporation	6 month LIBOR plus 3.3%	USD	374	374	21.12.2020	PJSC VimpelCom
Loan from HSBC Bank plc	1.7200%	USD	206	206	31.07.2022	EKN, PJSC VimpelCom
Loan from ING Bank	6 month LIBOR plus 1.08%	USD	84	84	16.10.2023	EKN, VimpelCom Holdings B.V.
PJSC VimpelCom						
Loan from VIP Finance Ireland (funded by the issuance of loan participation notes by VIP Finance Ireland)	9.13%	USD	499	499	30.04.2018	None
Loan from VIP Finance Ireland (funded by the issuance of loan participation notes by VIP Finance Ireland)	7.75%	USD	651	651	02.02.2021	None
RUB denominated bonds	10.00%	RUB	15,052	234	08.03.2022 *	None
RUB denominated bonds	11.90%	RUB	25,000	389	03.10.2025 **	None
Loan from Sberbank	12.75%	RUB	35,143	547	11.04.2018	None
Loan from Sberbank	12.75%	RUB	11,111	173	29.05.2017	None
Loan from Sberbank	11.55%	RUB	30,000	467	29.06.2018	None
Loan from HSBC Bank plc, Nordea Bank AB (publ)	3 month MOSPRIME plus 1.0%	RUB	2,734	43	30.04.2019	EKN
GTH Finance B.V.						
Notes	6.25%	USD	500	500	26.04.2020	VimpelCom Holdings B.V.
Notes	7.25%	USD	700	700	26.04.2023	VimpelCom Holdings B.V.
Pakistan Mobile Communications Limited (“PMCL”)						
Loan from Habib Bank Limited	6 months KIBOR + 1.15%	PKR	4,500	43	16.05.2019	None
Loan from MCB Bank Limited	6 months KIBOR + 0.8%	PKR	5,000	48	23.12.2020	None
Syndicated loan via MCB Bank Limited	6 months KIBOR + 1.25%	PKR	6,000	57	16.05.2019	None
Loan from United Bank Limited	6 months KIBOR + 1.10%	PKR	4,000	38	16.05.2021	None
Sukuk Certificates	3 months KIBOR + 0.88%	PKR	6,900	66	22.12.2019	None
Banglalink Digital Communications Ltd. ("BDC")						
Senior Notes	8.63%	USD	300	300	06.05.2019	None
Omnium Telecom Algeria SpA						
Syndicated Loan Facility	Bank of Algeria Re-Discount Rate + 2.0%	DZD	50,000	453	30.09.2019	None
Other loans, equipment financing and capital lease obligations				318		

* Subject to investor put option at 17.03.2017

** Subject to investor put option at 13.10.2017

ATTACHMENT C: CUSTOMERS

million	Mobile			Fixed-line broadband		
	2Q16	**2Q15**	**YoY**	**2Q16**	**2Q15**	**YoY**
Russia	57.4	57.2	0%	2.0	2.2	(11%)
Algeria	16.3	17.1	(4%)			
Pakistan	39.1	33.4	17%			
Bangladesh	31.1	32.0	(3%)			
Ukraine	25.4	26.1	(2%)	0.8	0.8	(1%)
Uzbekistan	9.3	10.3	(9%)			
Other	15.3	15.9	(4%)	0.39	0.36	9%
Total	**194.1**	**192.0**	**1%**	**3.2**	**3.4**	**(7%)**
Italy	**20.9**	**21.4**	**(2%)**	**2.3**	**2.2**	**5%**

ATTACHMENT D: WIND TELECOMUNICAZIONI GROUP CONDENSED STATEMENT OF INCOME

EUR mln	1H16	1H15	YoY
Total Revenue	2,156	2,160	(0%)
EBITDA	780	804	(3%)
D&A	(574)	(104)	n.m.
EBIT	206	700	n.m.
Financial Income and expenses	(149)	(276)	(46%)
EBT	57	424	n.m.
Income Tax	(50)	(57)	(12%)
Net profit/(loss)	7	367	n.m.

ATTACHMENT E: DEFINITIONS

ARPU (Average Revenue per User) is calculated by dividing service revenue for the relevant period, including revenue from voice-, roaming-, interconnect-, and value added services (including mobile data, SMS, MMS), but excluding revenue from visitors roaming, connection fees, sales of handsets and accessories and other non-service revenue, by the average number of customers during the period and dividing by the number of months in that period. For Italy Business Unit, visitors roaming revenue is included into service revenue for ARPU calculation.

Data customers are the customer contracts that served as a basis for revenue generating activity in the three months prior to the measurement date, as a result of activities including monthly Internet access using FTTB and xDSL technologies as well as mobile Internet access via WiFi and USB modems using 2.5G/3G/4G/HSPA+ technologies. The Italy Business Unit measures fixed data customers based on the number of active contracts signed and mobile data includes customers that have performed at least one mobile Internet event in the previous month. The Russia Business Unit includes IPTV activities. For Kazakhstan and Eurasia subsidiaries, mobile data customers are those who have performed at least one mobile Internet event in the three-month period prior to the measurement date. For Algeria, data customers are 3G customers who have performed at least one mobile data event on 3G network in the previous four months.

Capital expenditures (capex) are purchases of new equipment, new construction, upgrades, software, other long lived assets and related reasonable costs incurred prior to intended use of the non-current asset, accounted at the earliest event of advance payment or delivery. Long-lived assets acquired in business combinations are not included in capital expenditures.

EBIT is a non-GAAP measure and is calculated as EBITDA plus depreciation, amortization and impairment loss. Our management uses EBIT as a supplemental performance measure and believes that it provides useful information of earnings of the Company before making accruals for financial income and expenses and net foreign exchange (loss)/gain and others. Reconciliation of EBIT to net income attributable to VimpelCom Ltd., the most directly comparable GAAP financial measure, is presented in the reconciliation tables section in Attachment F.

EBITDA is a non-GAAP financial measure. EBITDA is defined as earnings before interest, tax, depreciation and amortization. VimpelCom calculates EBITDA as operating income before depreciation, amortization, loss from disposal of non-current assets and impairment loss and includes certain non-operating losses and gains mainly represented by litigation provisions for all of its Business Units except for its Russia Business Unit. The Russia Business Unit's EBITDA is calculated as operating income before depreciation, amortization, loss from disposal of non-current assets and impairment loss. EBITDA should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS. Our management uses EBITDA and EBITDA margin as supplemental performance measures and believes that EBITDA and EBITDA margin provide useful information to investors because they are indicators of the strength and performance of the Company's business operations, including its ability to fund discretionary spending, such as capital expenditures, acquisitions and other investments, as well as indicating its ability to incur and service debt. In addition, the components of EBITDA include the key revenue and expense items for which the Company's operating managers are responsible and upon which their performance is evaluated. EBITDA also assists management and investors by increasing the comparability of the Company's performance against the performance of other telecommunications companies that provide EBITDA information. This increased comparability is achieved by excluding the potentially inconsistent effects between periods or companies of depreciation, amortization and impairment losses, which items may significantly affect operating income between periods. However, our EBITDA results may not be directly comparable to other companies' reported EBITDA results due to variances and adjustments in the components of EBITDA (including our calculation of EBITDA) or calculation measures.

Additionally, a limitation of EBITDA's use as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue or the need to replace capital equipment over time. Reconciliation of EBITDA to net income attributable to VimpelCom Ltd., the most directly comparable GAAP financial measure, is presented in the reconciliation tables section in Attachment F.

EBITDA margin is calculated as EBITDA divided by total revenue, expressed as a percentage.

Gross Debt is calculated as the sum of long term debt and short term debt.

Households passed are households located within buildings, in which indoor installation of all the FTTB equipment necessary to install terminal residential equipment has been completed.

MBOU (Megabyte of use) is calculated by dividing the total data traffic by the average mobile data customers during the period.

MFS (Mobile financial services) is a variety of innovative services, such as mobile commerce or m-commerce, that use a mobile phone as the primary payment user interface and allow mobile customers to conduct money transfers to pay for items such as goods at an online store, utility payments, fines and state fees, loan repayments, domestic and international remittances, mobile insurance and tickets for air and rail travel, all via their mobile phone.

MNP (Mobile number portability) is a facility provided by telecommunications operators, which enables customers to keep their telephone numbers when they change operators.

Mobile customers are SIM-cards registered in the system as of a measurement date, users of which generated revenue at any time during the three months prior to the measurement date. This includes revenue coming from any incoming and outgoing calls, subscription fee accruals, debits related to service, outgoing SMS, Multimedia Messaging Service (referred to as MMS), data transmission and receipt sessions, but does not include incoming SMS and MMS sent by VimpelCom or abandoned calls. VimpelCom's total number of mobile customers also includes SIM-cards for use of mobile Internet service via USB modems and customers for WiFi. The number of mobile customers for Italy is based on SIM-cards, users of which generated revenue at any time during the twelve months prior to the measurement date.

MOU (Monthly Average Minutes of Use per User) is generally calculated by dividing the total number of minutes of usage for incoming and outgoing calls during the relevant period (excluding guest roamers) by the average number of mobile customers during the period and dividing by the number of months in that period.

Net debt is a non-GAAP financial measure and is calculated as the sum of interest bearing long-term debt and short-term debt minus cash and cash equivalents, long-term and short-term deposits and fair value hedges. The Company believes that net debt provides useful information to investors because it shows the amount of debt outstanding to be paid after using available cash and cash equivalents and long-term and short-term deposits. Net debt should not be considered in isolation as an alternative to long-term debt and short-term debt, or any other measure of the Company financial position. Reconciliation of net debt to long-term debt and short-term debt, the most directly comparable GAAP financial measures, is presented in the reconciliation tables section in Attachment F.

Net foreign exchange (loss)/gain and others represents the sum of Net foreign exchange (loss)/gain, Equity in net (loss)/gain of associates and Other (expense)/income (primarily (losses)/gains from derivative instruments), and is adjusted for certain non-operating losses and gains mainly represented by litigation provisions. Our management uses Net foreign exchange (loss)/gain and others as a supplemental performance measure and believes that it provides useful information about the impact of our debt denominated in foreign currencies on our results of operations due to fluctuations in exchange rates, the performance of our equity investees and other losses and gains the Company needs to manage the business.

NPS (Net Promoter Score) is the methodology VimpelCom uses to measure customer satisfaction.

Operational expenses (opex) represents service costs and selling, general and administrative expenses.

Organic growth in revenue and EBITDA are non-GAAP financial measures that reflect changes in Revenue and EBITDA, excluding foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions.

Reportable segments: the Company identified Russia, Italy, Algeria, Pakistan, Bangladesh, Ukraine and Uzbekistan based on the business activities in different geographical areas. Intersegment revenue is eliminated in consolidation.

Service costs represent costs directly associated with revenue generating activity such as traffic related expenses, costs of content and sim-cards as well as costs of handsets, telephone equipment and accessories sold.

Selling, general and administrative expenses represent expenses associated with customer acquisition and retention activities, network and IT maintenance, regular frequency payment, professional and consulting support, rent of premises, utilities, personnel and outsourcing as well as other general and administrative expenses. These expenses do not include personnel costs that have been capitalized as part of long-lived assets.

ATTACHMENT F: RECONCILIATION TABLES

RECONCILIATION OF CONSOLIDATED EBITDA

USD mln	2Q16	2Q15	1H16	1H15	LTM 2Q16	LTM 2Q15
Unaudited						
EBITDA	**795**	**1,069**	**1,553**	**2,006**	**2,422**	**4,601**
Depreciation	(391)	(386)	(723)	(784)	(1,488)	(1,714)
Amortization	(113)	(135)	(225)	(261)	(481)	(569)
Impairment loss	(4)	(13)	(12)	(112)	(145)	(1,091)
Loss on disposals of non-current assets	(5)	(4)	(6)	(11)	(33)	(52)
EBIT	**283**	**530**	**587**	**838**	**274**	**1,174**
Financial Income and Expenses	(187)	(190)	(355)	(404)	(727)	(896)
- including finance income	18	12	31	24	58	53
- including finance costs	(205)	(202)	(385)	(429)	(785)	(949)
Net foreign exchange (loss)/gain and others	(0)	(11)	18	(112)	(214)	(463)
- including Other non-operating (losses)/gains	(23)	(66)	(61)	(75)	(29)	68
- including Shares of loss of associates and joint ventures accounted for using the equity method	(12)	(6)	(16)	11	(13)	15
- including Net foreign exchange gain	34	60	95	(48)	(171)	(545)
EBT	**96**	**329**	**250**	**321**	**(667)**	**(184)**
Income tax expense	135	55	252	136	335	367
Profit/ (loss) from discontinued operations	187	(127)	383	134	512	(163)
Profit/(loss) for the period	147	145	381	319	(490)	(715)
Profit/(loss) for the period attributable to non-controlling interest	9	(38)	(55)	(27)	(142)	220
Profit for the year attributable to the owners of the parent	**138**	**108**	**326**	**292**	**(633)**	**(495)**

RECONCILIATION OF CONSOLIDATED REPORTED AND UNDERLYING EBITDA

USD mln, unaudited	2Q16	2Q15	1H16	1H15
EBITDA	**795**	**1,069**	**1,553**	**2,006**
Performance transformation costs, of which	**74**		**118**	
HQ and Other	55		90	
Russia	3		3	
Emerging Markets	16		24	
Other exceptional items, of which	**42**	**(3)**	**39**	**5**
In other and HQ, mainly due to provisions for indirect taxes	38		38	
SIM re-verification in Bangladesh	4		4	
SIM re-verification in Pakistan, offset by positive one-off in utility costs in Q2 2015		(3)		5
Bad debt and litigation losses in Uzbekistan			(3)	
Total exceptional items	**116**	**(3)**	**157**	**5**
EBITDA underlying	**911**	**1,066**	**1,710**	**2,011**

RECONCILIATION OF OPERATING CASH FLOW

USD mln	2Q16	2Q15	1H16	1H15
Operating Cash Flow (EBITDA Underlying-Capex)	606	604	1,254	1,339
CAPEX excl licenses	306	462	456	672
EBITDA Underlying	911	1,066	1,710	2,011
Exceptional items	(116)	3	(157)	(5)
Changes in working capital and other	(132)	(95)	(936)	(1,315)
Net interest paid	(138)	(180)	(327)	(432)
Income tax paid	(98)	(105)	(223)	(446)
Changes due to discontinued operations from operating activity	252	113	375	224
Net cash from operating activities	679	801	442	37

RECONCILIATION OF CAPEX

USD mln unaudited	2Q16	2Q15
Cash paid for purchase of property, plant and equipment and intangible assets	**276**	**605**
Net difference between timing of recognition and payments for purchase of property, plant and equipment and intangible assets	71	(15)
Capital expenditures	347	591
Less Capital expenditures in licenses	(42)	(129)
Capital expenditures excl. licenses	**306**	**462**

RECONCILIATION OF ORGANIC AND REPORTED GROWTH RATES

2Q16 vs 2Q15

	Service Revenue			EBITDA		
	Organic	**Forex**	**Reported**	**Organic**	**Forex**	**Reported**
Russia	(2%)	(20%)	(22%)	(1%)	(20%)	(21%)
Algeria	(15%)	(9%)	(24%)	(18%)	(8%)	(27%)
Pakistan	13%	(3%)	10%	11%	(3%)	8%
Bangladesh	3%	(1%)	2%	9%	(1%)	8%
Ukraine	11%	(16%)	(5%)	34%	(19%)	15%
Uzbekistan	8%	(14%)	(6%)	(4%)	(13%)	(17%)
Total	**(1%)**	**(16%)**	**(17%)**	**(9%)**	**(17%)**	**(26%)**

1H16 vs 1H15

	Service Revenue			EBITDA		
	Organic	**Forex**	**Reported**	**Organic**	**Forex**	**Reported**
Russia	(2%)	(18%)	(20%)	(4%)	(18%)	(21%)
Algeria	(8%)	(11%)	(19%)	(6%)	(11%)	(17%)
Pakistan	13%	(3%)	9%	18%	(3%)	14%
Bangladesh	5%	(1%)	4%	14%	(1%)	13%
Ukraine	11%	(19%)	(8%)	38%	(24%)	14%
Uzbekistan	11%	(15%)	(4%)	3%	(14%)	(11%)
Total	**1%**	**(16%)**	**(15%)**	**(6%)**	**(17%)**	**(23%)**

RECONCILIATION OF VIMPELCOM CONSOLIDATED NET DEBT

USD mln	30 June 2016	31 March 2016	30 June 2015 pro-forma for Italy held for sale
Net debt	6,575	6,407	5,831
Cash and cash equivalents	3,635	2,928	4,127
Long - term and short-term deposits	350	351	225
Gross debt	10,560	9,686	10,182
Interest accrued related to financial liabilities	198	148	161
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	38	57	59
Derivatives designated as hedges	21	98	86
Total other financial liabilities	10,817	9,989	10,488

RATES OF FUNCTIONAL CURRENCIES TO USD[1]

	Average rates			Closing rates		
	2Q16	2Q15	YoY	2Q16	1Q16	QoQ
Russian Ruble	65.89	52.65	25.1%	64.26	67.61	-5.0%
Euro	0.89	0.90	-2.0%	0.90	0.88	2.5%
Algerian Dinar	109.54	98.27	11.5%	110.31	108.39	1.8%
Pakistan Rupee	104.67	101.83	2.8%	104.75	104.71	0.0%
Bangladeshi Taka	78.35	77.79	0.7%	78.33	78.38	-0.1%
Ukrainian Hryvnia	25.26	21.61	16.9%	24.85	26.22	-5.2%
Kazakh Tenge	335.58	185.86	80.6%	338.87	343.06	-1.2%
Uzbekistan Som	2,910.98	2,522.6	15.4%	2,943.46	2,876.7	2.3%
Armenian Dram	479.06	476.32	0.6%	476.68	480.79	-0.9%
Kyrgyz Som	68.38	60.52	13.0%	67.49	70.02	-3.6%
Georgian Lari	2.21	2.28	-3.0%	2.34	2.37	-1.1%

[1)] *Functional currency in Tajikistan is USD*