VEON

STRATEGIC FRAMEWORK AND Q2 2018 RESULTS

Amsterdam, 2 August 2018

Agenda

VEON

OPENING	Richard James - Head of IR
OVERVIEW AND PRIORITIES	Ursula Burns - Executive Chairman
COUNTRY RESULTS	Kjell Johnsen - COO
GROUP FINANCIAL RESULTS	Trond Westlie - CFO
FINAL REMARKS	Ursula Burns - Executive Chairman
Q&A	

Disclaimer

This presentation contains “forward-looking statements”, as the phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by words such as “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “seek,” “believe,” “estimate,” “predict,” “potential,” “continue,” “contemplate,” “possible” and other similar words. Forward-looking statements include statements relating to, among other things, VEON’s plans to implement its strategic priorities, including operating model and development plans, among others; anticipated performance and guidance for 2018 and 2019, including VEON’s ability to generate sufficient cash flow; future market developments and trends; operational and network development and network investment, including expectations regarding the roll-out and benefits of 3G/4G/LTE networks, as applicable; the effect of the acquisition of additional spectrum on customer experience; VEON’s ability to realize the acquisition and disposition of any of its businesses and assets; VEON’S ability to realize financial improvements, including an expected reduction of net pro-forma leverage ratio following the successful completion of certain dispositions and acquisitions; and VEON’s ability to realize its targets and strategic initiatives in its various countries of operation. The forward-looking statements included in this presentation are based on management’s best assessment of VEON’s strategic and financial position and of future market conditions, trends and other potential developments. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of demand for and market acceptance of VEON’s products and services; continued volatility in the economies in VEON’s markets; unforeseen developments from competition; governmental regulation of the telecommunications industries; general political uncertainties in VEON’s markets; government investigations or other regulatory actions; litigation or disputes with third parties or other negative developments regarding such parties; risks associated with data protection or cyber security, other risks beyond the parties’ control or a failure to meet expectations regarding various strategic priorities, the effect of foreign currency fluctuations, increased competition in the markets in which VEON operates and the effect of consumer taxes on the purchasing activities of consumers of VEON´s services. Certain other factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in VEON’s Annual Report on Form 20-F for the year ended December 31, 2017 filed with the U.S. Securities and Exchange Commission (the “SEC”) and other public filings made by VEON with the SEC. Other unknown or unpredictable factors also could harm our future results. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Under no circumstances should the inclusion of such forward-looking statements in this presentation be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. Therefore, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date hereof. We cannot assure you that any projected results or events will be achieved. Except to the extent required by law, we disclaim any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made, or to reflect the occurrence of unanticipated events. Non-IFRS measures are reconciled to comparable IFRS measures in VEON Ltd.’s earnings release published on its website on the date hereof.

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

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

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Full Year 2018 guidance reaffirmed

H1 2018

TOTAL REVENUE (USD)	EBITDA (USD)	EQUITY FCF EXCL. LICENSES[2] (USD)
4.5bn	1.7bn	540m
+3.1% organic[1] YoY	+5.5% organic[1] YoY	
-3.8% reported YoY	-4.5% reported YoY	+71.7% reported YoY

[1] Organic change is a non-IFRS measure and reflects changes in revenue and EBITDA. Organic change excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. In H1 2018 organic growth is calculated at constant currency and excludes the impact from Euroset transaction. See attachment in the earnings release for reconciliations

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

Executing at pace on our near term priorities

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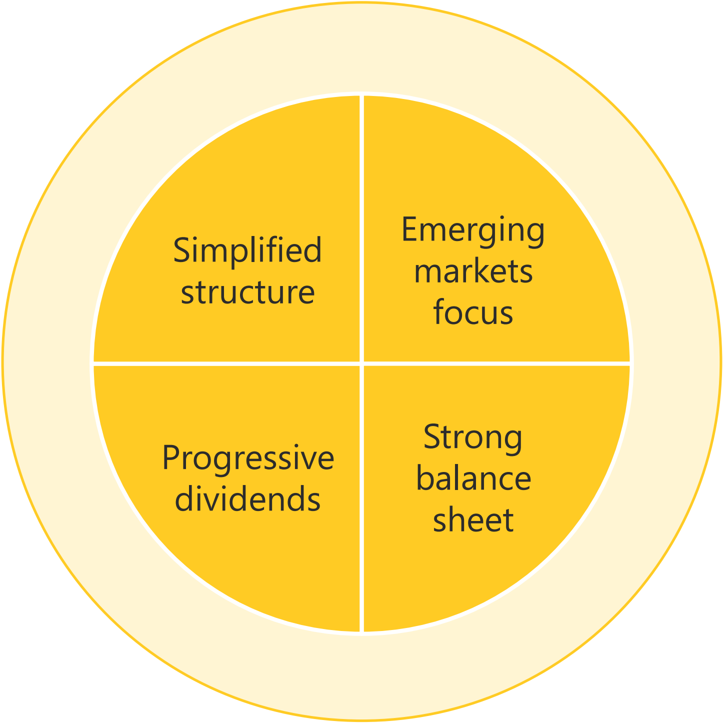


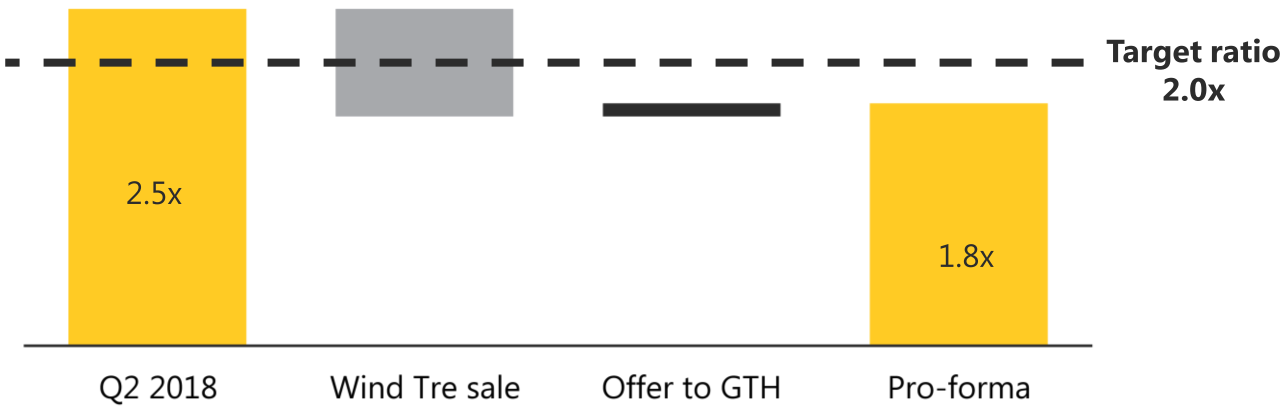
- Sale of Italy joint venture for a total cash consideration of EUR 2.45 billion (~USD 2.9 billion[1]) expected to complete in Q3 or early Q4 2018
- Offer to acquire businesses in Pakistan and Bangladesh
- Lean, high-level operating model now established
- Effective and efficient corporate structure being introduced
- CEO search is progressing
- Digital agenda

Greater value for our shareholders

[1] USD/EUR = 1.17

Strengthening our balance sheet to support our progressive dividend policy

Net leverage



VEON is committed to paying a sustainable and progressive dividend based on the evolution of the Company's equity free cash flow

Interim FY 2018 dividend of USD 0.12

Note: Pro forma leverage ratio is calculated assuming that the sale of VEON's equity stake in Wind Tre will bring in proceeds of EUR 2,450 million (~USD 2.9 billion at USD/EUR rate of 1.17) . A fraction of these proceeds will be used by VEON to acquire the GTH assets. The remainder will be used to reduce debt which, following successful completion of both transactions, is expected to result in net pro-forma leverage ratio of approximately 1.8x, significantly below our target ratio of 2.0x

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Q2 2018 revenue and EBITDA country trends

Figures and trends in local currency

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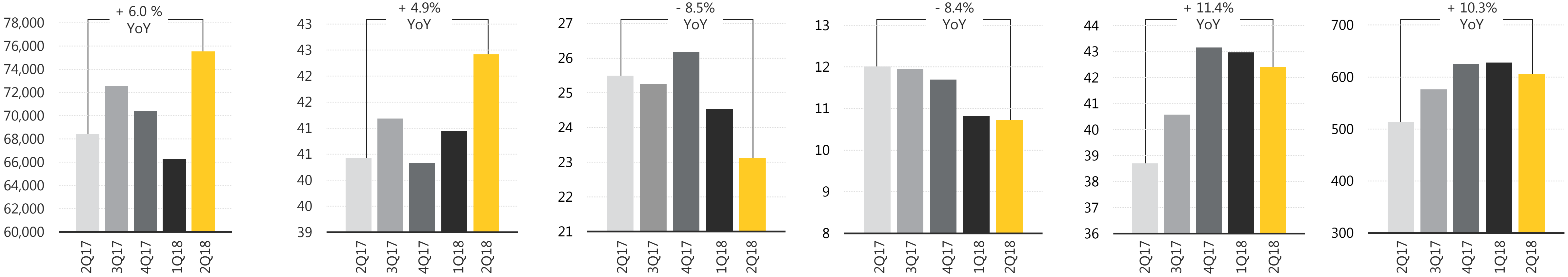
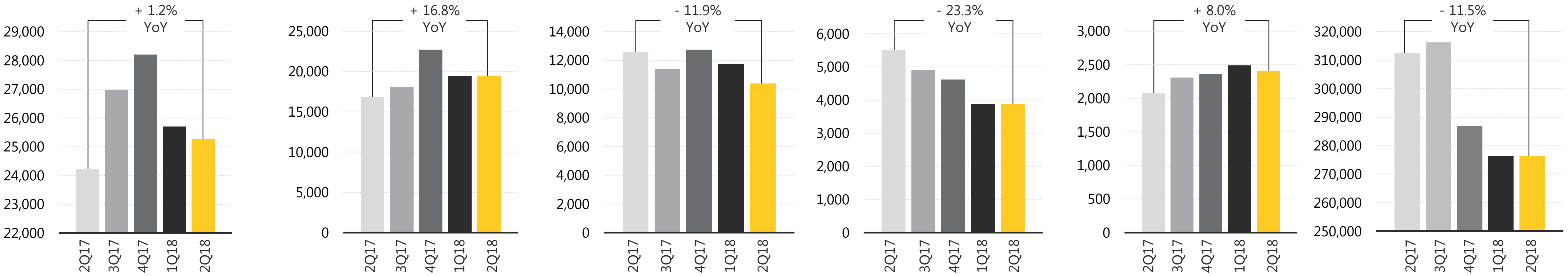
RUSSIA (RUB BILLION) | PAKISTAN (PKR BILLION) | ALGERIA (DZD BILLION) | BANGLADESH (BDT BILLION) | UKRAINE (UAH BILLION) | UZBEKISTAN (UZS BILLION)

Revenue



EBITDA



Russia: EBITDA continues to grow, despite Euroset integration

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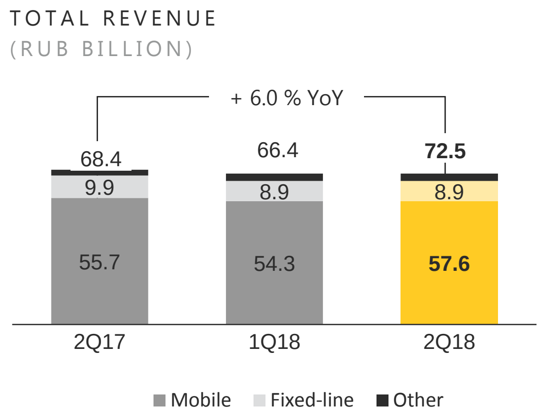
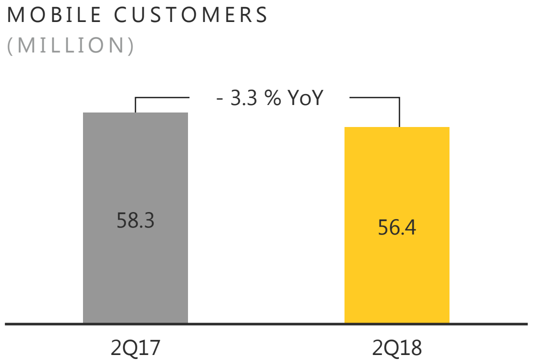
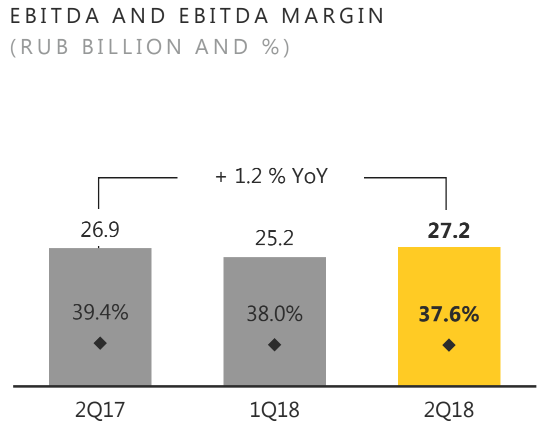
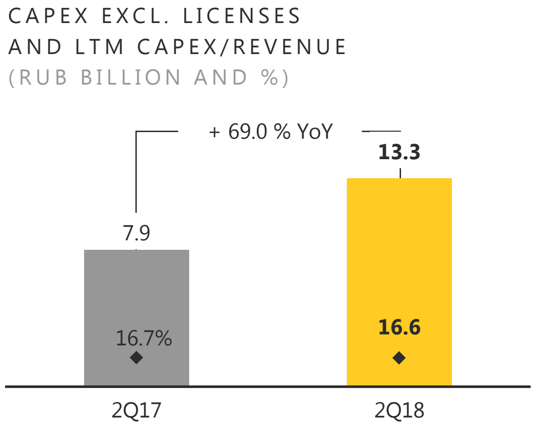






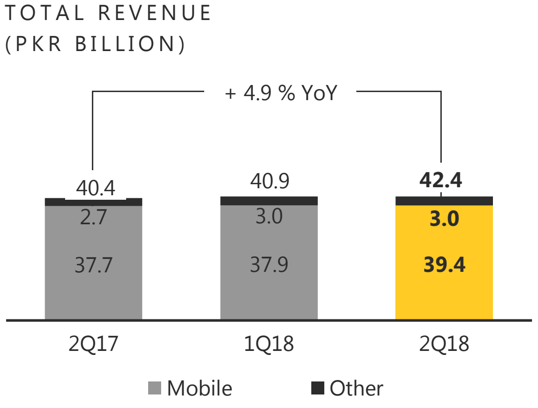


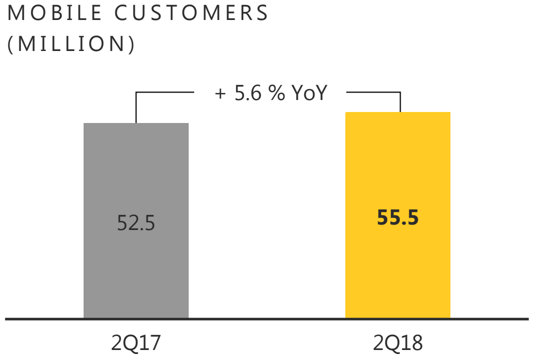
- Stable competitive environment during the quarter, challenging macro conditions
- Total revenue growth of 6.0% YoY driven by mobile service revenue growth of 3.5% YoY and a doubling of sales of equipment and accessories, mainly as a result of the integration of Euroset stores
- Mobile ARPU grew by 5.6% YoY
- Fixed-line service revenue decreased by 10.0% YoY, mainly due to the centralization of transit services revenue in VEON Wholesale Services of ~RUB 600 million. Adjusted for this VWS effect, fixed-line revenue decreased by 4.4% YoY
- EBITDA increased by 1.2% YoY, driven by revenue growth and improved device margin, mainly offset by Euroset integration costs of ~RUB 1 billion
- Capex excluding licenses increased YoY mainly due to accelerated network rollout
- FY 2018 expected Yarovaya investment of approximately RUB 6 billion expected to occur in H2 2018

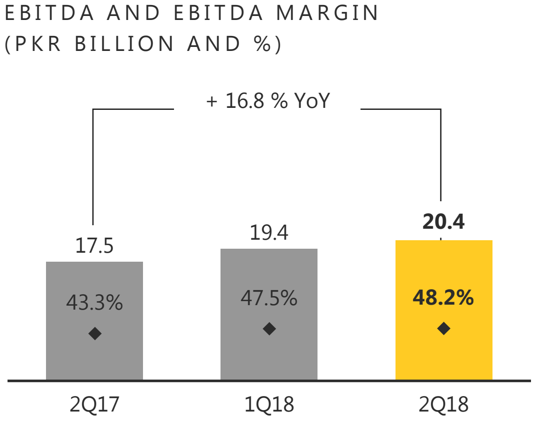
Euroset integration progressing well

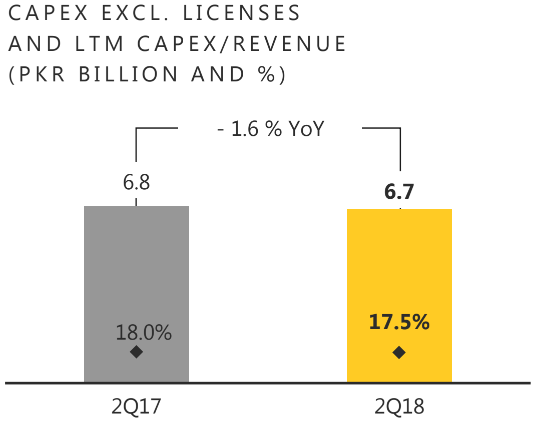
- Euroset integration on track:
  - ▸ Targeting 1,600 rebranded Euroset stores in0+ August 2018
  - ▸ ~1,400 stores already integrated and rebranded as Beeline at end-June 2018
  - ▸ Medium-term target of ~5,500 monobrand Beeline stores (owned and franchise)
- Integration is driving strong sales growth in equipment and accessories (+107.2% YoY in Q2 2018)
- Equipment margins increased significantly in Q2 (6.7%, vs -0.6% in Q2 2017), driven by higher volumes and better sales mix, providing positive margin offset to integration costs
- EBITDA grew by 1.2% YoY in Q2 2018, despite Q2 Euroset integration costs of RUB 1 billion
  - ▸ FY 2018 integration cost forecast unchanged at RUB 3 billion
- Increased focus on Beeline monobrand stores is reducing exposure to alternative retail channels, resulting in a decline in overall customer base by 3.3% YoY
- Online sales grew strongly in Q2 2018, representing 8.2% of device revenue (vs. 5.1% in Q2 2017)

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





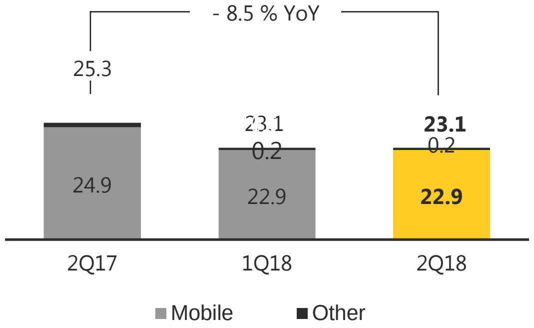




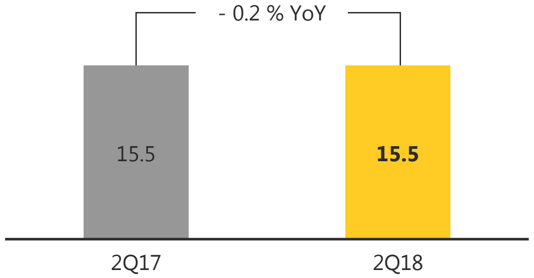
- The market during Q2 remained competitive, in particular on data and social network offers
- Despite market conditions, revenue grew YoY, driven by strong data revenue growth (+37.0% YoY)
  - Data customer growth of 18% YoY
  - QoQ customer growth, fuelled by 4G/LTE expansion
- Double-digit EBITDA YoY increase due to revenue growth, synergies and the absence of performance transformation and integration costs (PKR 0.6 billion in Q2 2017)
  - EBITDA margin expansion +4.9 p.p. YoY
- Capex excluding licenses broadly stable YoY, supporting 4G/LTE network expansion with a more balanced quarterly distribution

Algeria: improving trends now visible with sequential customer growth and revenue stability

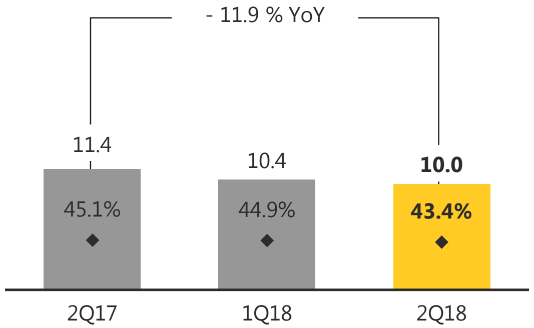
TOTAL REVENUE
(DZD BILLION)



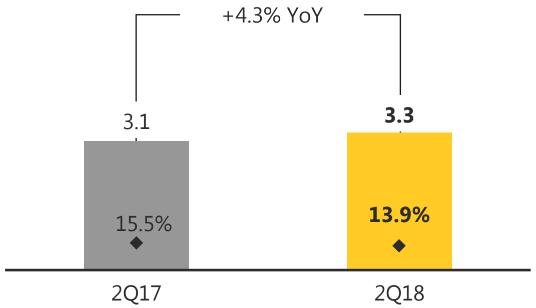
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(DZD BILLION AND %)



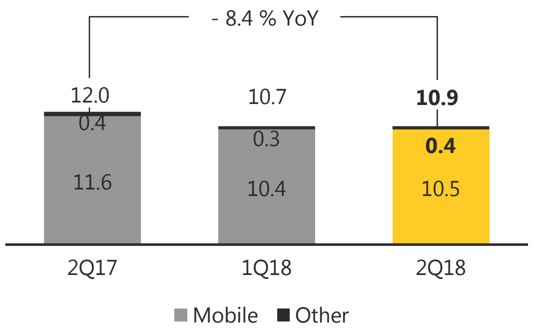
CAPEX EXCL. LICENSES
AND LTM CAPEX/REVENUE
(DZD BILLION AND %)



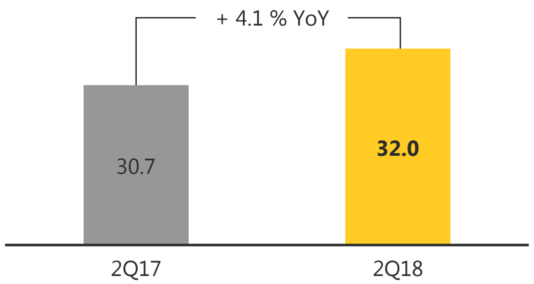
- Despite Q2 characterized by intense price competition, signals of turnaround are now evident
- Continuing macroeconomic and regulatory challenges
  - Economic slowdown and high inflation continue, along with import restrictions
  - New direct taxation since 1 January 2018
- Whilst top line remains under pressure, the negative trend has improved with stable revenue QoQ
  - Customer base stable YoY and now growing 1.1% QoQ, through the success of new offers
  - Data revenue +80.7% YoY, due to new commercial offers leveraging our 4G/LTE network
- EBITDA decrease mainly as a result of revenue YoY trend

Bangladesh: 4G/LTE rollout progressing well, competitive pressure still weighing on results

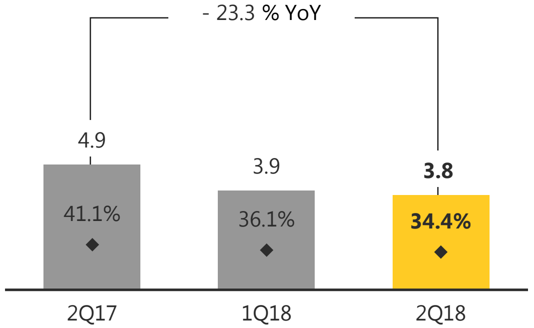
TOTAL REVENUE
(BDT BILLION)



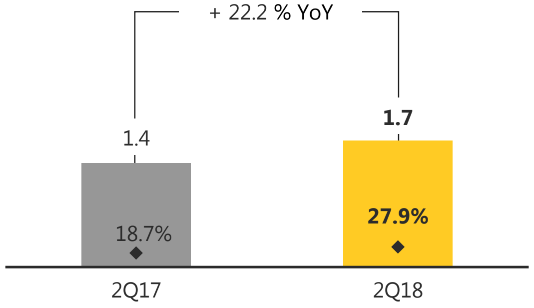
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(BDT BILLION AND %)



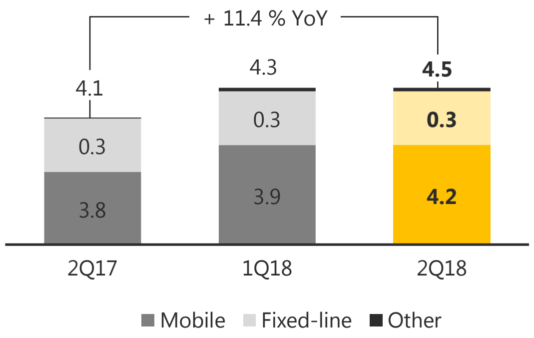
CAPEX EXCL. LICENSES
AND LTM CAPEX/REVENUE
(BDT BILLION AND %)



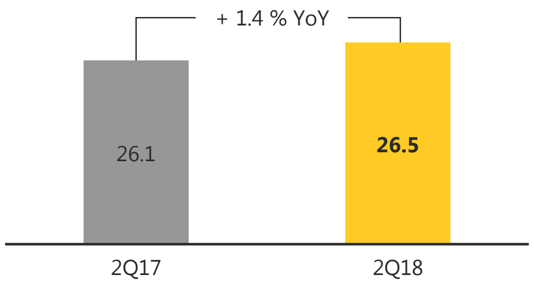
- The market during Q2 was characterized by accelerated price pressure from competition
- The revenue trend was affected by ARPU decrease (-14.1% YoY); however:
  - Customer growth (+4.1% YoY) supported by improved distribution
  - Service revenue grew by 0.8% QoQ
  - Data revenue grew by 14.5% YoY, with acceleration of data customer growth at 20.8% YoY and data usage (+88% YoY)
- EBITDA decline due to revenue trend and structural opex mostly related to network expansion
- Capex increase driven by investments to improve network resilience and 4G/LTE sites roll-out
  - 4G/LTE launched in February, roll-out gaining pace with current population coverage at ~15%

Ukraine: sustained strong data and ARPU performance

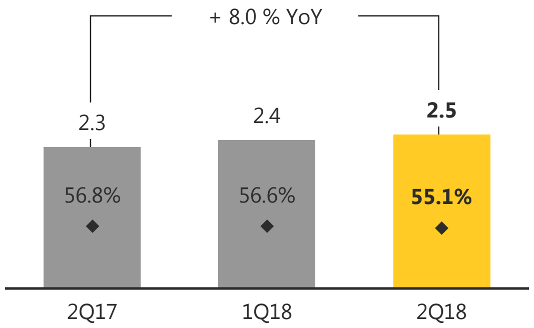
TOTAL REVENUE
(UAH BILLION)



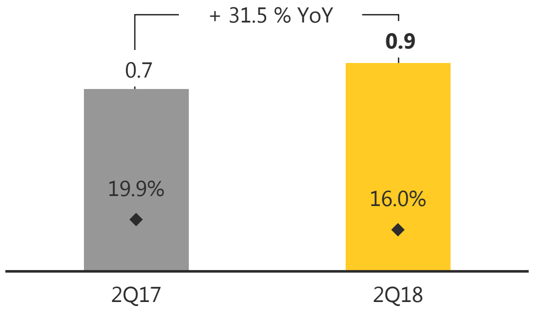
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(UAH BILLION AND %)



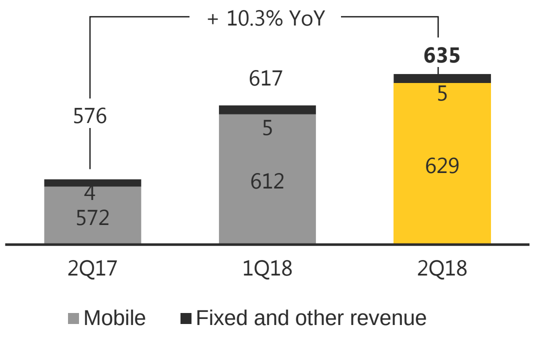
CAPEX EXCL. LICENSES
AND LTM CAPEX/REVENUE
(UAH BILLION AND %)



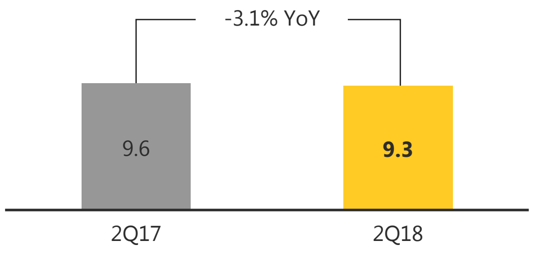
- Kyivstar strengthened its market position in a growing market, driven by strong growth in mobile data
- Mobile service revenue growth of 11.4% YoY, mainly driven by data revenue growth of 69%
  - ARPU increased by 9.6% YoY
- Fixed-line service revenue increased by 7.3% YoY
- Customer growth was driven by improved churn
- EBITDA increased by 8.0% YoY driven by revenue growth, leading to an EBITDA margin of 55.1%
- 4G/LTE introduced in April 2018 and launched in 21 cities, covering 20% of population

Uzbekistan: strong revenue growth, external cost pressure on EBITDA

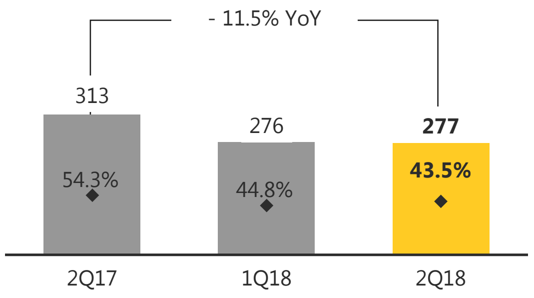
TOTAL REVENUE
(UZS BILLION)



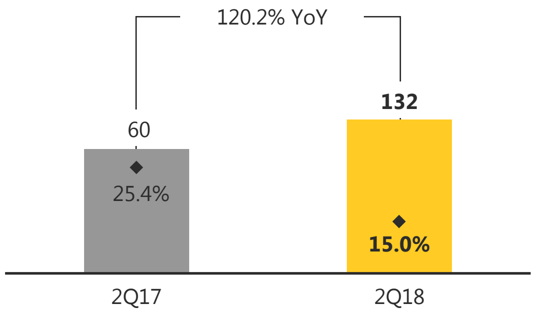
MOBILE CUSTOMERS
(MILLION)



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



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



- Overall market growth, with Unitel commencing repricing activities from March 2018
- Revenue grew by 10.3% YoY driven by repricing activities
  - ARPU increased by 10.9% YoY
- Mobile data revenue increased by 53.1% YoY
- EBITDA decreased by 11.5% YoY, mainly due to external cost pressure from increased customer tax (UZS 56 billion) and the effect of the reduction in MTR
- Capex excluding licenses increased 120% YoY as a result of 4G/LTE network roll out
- USD 86 million cash repatriated during Q2 2018

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Q2 2018 good revenue and EBITDA organic[1] growth

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- Total revenue organic[1] growth of 3.0% YoY, mainly driven by Russia, Pakistan, Ukraine and Uzbekistan; reported total revenue down 6.1% primarily due to Uzbekistan and Pakistan currency devaluation
- Mobile data revenue organic growth of 24.5% YoY, reported mobile data revenue +11%
- EBITDA organic[1] growth of 4.8% YoY, driven by good operational performance in Russia, Pakistan and Ukraine, partially offset by EBITDA pressure in Algeria, Bangladesh and Uzbekistan
- Reported EBITDA decreased by 8.0% YoY to USD 857 million due to currency devaluation in Uzbekistan, Russia and Pakistan, and Euroset integration costs partially offset by lower corporate cost. EBITDA margin at 37.7%
- Capex excl. licenses increased by 20.8% YoY due to 4G/LTE roll-out and more equal quarterly distribution of expenditures; resulting in 17.4% LTM capex to revenue
- Q2 2018 equity free cash flow excluding licenses[2] to USD 206 million

TOTAL REVENUE (USD BILLION)

2.3

+3.0% organic[1] YoY
-6.1% reported YoY

EBITDA (USD MILLION)

857

+4.8% organic[1] YoY
-8.0% reported YoY

CAPEX EXCL. LICENSES (USD MILLION)

402

+20.8% reported YoY
LTM capex/revenue: 17.4%

EQUITY FREE CASH FLOW EXCL. LICENSES[2] (USD MILLION)

206

-1.3% reported YoY

[1] Organic change is a non-IFRS measure and reflects changes in revenue and EBITDA. Organic change excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. In Q2 2018 organic growth is calculated at constant currency and excludes the impact from Euroset transaction. See attachment in Earnings release for reconciliations

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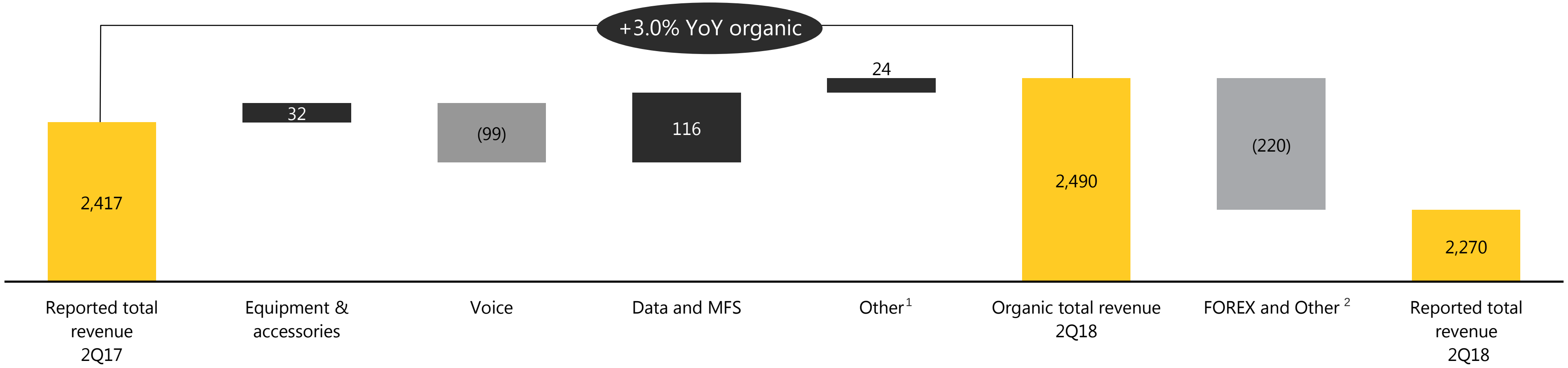
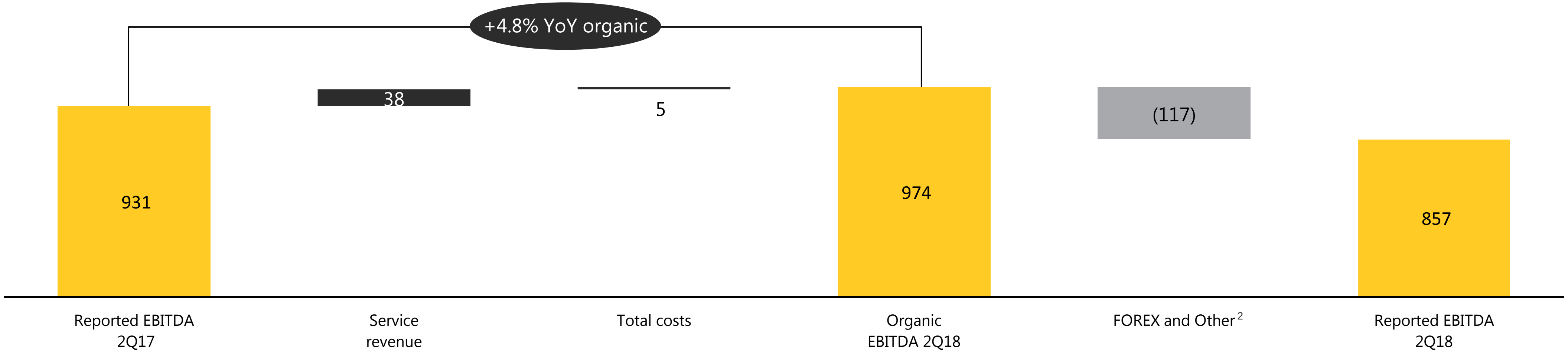
Revenue and EBITDA development

Data revenue and lower costs driving organic growth in revenue and EBITDA

USD MILLION





[1] Other includes interconnect, roaming and intercompany eliminations
[2] Other refers to Euroset impact on revenue and EBITDA

Corporate costs

Progress to significantly reduce corporate costs over time is under way

- In Q2 2018, corporate costs were USD 54 million, representing a decrease of ~43% YoY
  - ▶ Q2 trend driven by a decrease in personnel costs, external cost for services and the release of certain provisions
  - ▶ H1 2018 costs were USD 134 million or -21% YoY
- Initiatives addressing corporate costs are progressing in line with expectations
- Target confirmed to reduce corporate costs in FY 2018 by ~20% YoY from USD 431 million in FY 2017

Corporate costs run-rate expected to halve between 2017[1] and year-end 2019

[1] FY 2017 corporate costs at USD 431 million

Q2 2018 income statement

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USD MILLION

	2Q18	2Q17	Reported YoY	Organic[1] YoY
Revenue	**2,270**	**2,417**	**(6.1%)**	**3.0%**
Service revenue	2,136	2,331	(8.4%)	1.6%
EBITDA	**857**	**931**	**(8.0%)**	**4.8%**
Depreciation, amortization and other	(465)	(542)	10.4%	
Operating Profit	**392**	**389**	**0.4%**	
Net financial income and expenses	(194)	(208)	6.7%	
Net FOREX and other gains/(losses)	(27)	(169)	n.m.	
Share of loss from joint ventures and associates and impairments	-	(120)	n.m.	
Profit before tax	**171**	**(108)**	**n.m.**	
Tax	(139)	(65)	n.m.	
Profit/(Loss) from continued operations	32	(173)	n.m.	
Profit from discontinued operations	(170)	(85)	n.m.	
Non-controlling interest	1	20	n.m.	
Net (loss) attributable to VEON shareholders	(138)	(258)	n.m.	

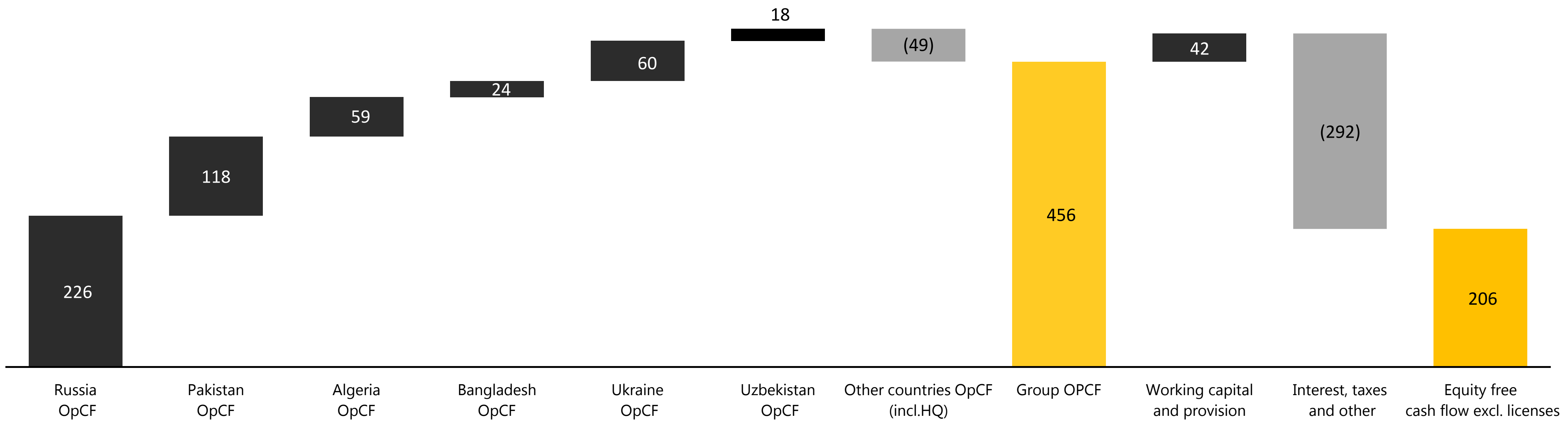
- EBITDA decreased 8.0% YoY to USD 857 million due to currency devaluation in Uzbekistan and Pakistan, and Euroset integration costs
- Operating profit increased YoY mainly due to lower depreciation, driven by the classification of Pakistan towers as assets held for sale and the depreciation of Uzbek som
- Net financial income and expenses decreased YoY as a result of lower indebtedness, coupled with lower interest rates
- Net FOREX and other gains/(losses) decreased mainly due to early redemption premiums on bond repurchases of USD 124 million in Q2 2017
- The proportionate results (50%) of the Italy joint venture are no longer included, after the sale announcement on 3 July 2018
- Profit before tax turned positive compared to a loss in Q2 2017 which was mainly impacted by the Euroset impairment and above mentioned reasons
- Increase in tax expense to USD 139 million in Q2 2018 was primarily attributable to higher taxes in Russia resulting from higher profitability, while in Q2 2017 tax expenses in Russia were low because of deductibility of fees paid in connection with bond repurchases in 2017
- The Q2 loss from Italy JV (presented as a discontinued operation) increased in Q2 2018 to USD 170 million compared to USD 85 million in Q2 2017, mainly due to higher negative purchase price allocation adjustments for VEON IFRS reporting purposes

[1] Organic change is a non-IFRS measure and reflects changes in revenue and EBITDA. Organic change excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. In Q2 2018 organic growth is calculated at constant currency and excludes the impact from Euroset transaction. See attachment in Earnings release for reconciliations

Continued strong cash flow generation in Q2 2018

VEON

USD MILLION



Note: OpCF refers to Operating cash flow, calculated as EBITDA minus Capex excluding licenses

Cash flow reconciliation table

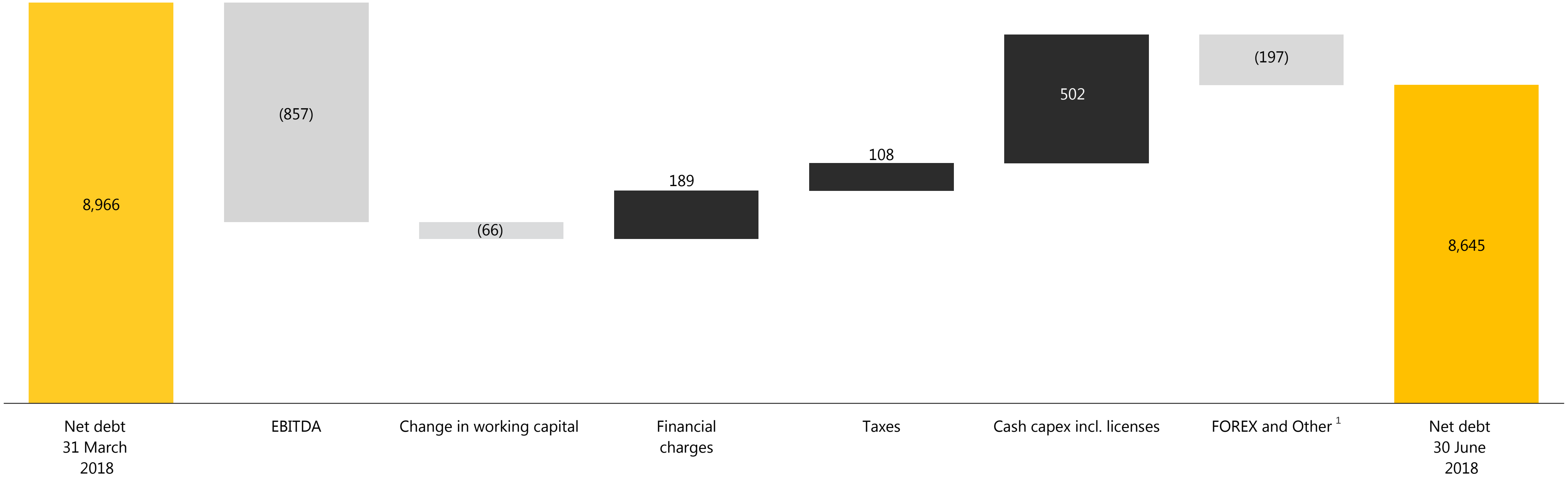
USD MILLION

	2Q18	2Q17	YoY
EBITDA	**857**	**931**	**(8.0%)**
Changes in working capital	66	(44)	250.6%
Movement in provisions	(24)	(6)	(332%)
Net interest paid-received	(189)	(189)	-
Income tax paid	(108)	(117)	(7.5%)
Cash flow from operating activities (excl. discontinued operations)	**600**	**578**	**(3.6%)**
Capex excl.licenses	(402)	(333)	20.8%
Working capital related to Capex excl. licenses	5	(50)	n.m.
Proceeds from sale of PPE	3	14	(78.9%)
Equity Free Cash Flow excl. licenses	**206**	**209**	**(1.3%)**

- Improvement mostly related to cash-in of certain settlements, partially offset by device inventory increase in Russia due to Euroset integration
- Movement in provisions in Q2 2018 relates to payment of severance costs accrued in Q1 2018
- Increase in capex excluding licenses mainly driven by higher capex in Russia due to accelerated network rollout and Euroset integration

Q2 2018 net debt development

USD MILLION



NET DEBT / EBITDA	2.5x	2.5x

[1] FOREX and Other mainly consist of FX impact in Russia

FY 2018 targets confirmed

VEON

	H1 2018 actual	FY 2018 targets[3]
Total revenue	3.1% organic growth[1]	Flat-to-low single digit organic growth
EBITDA	5.5% organic growth[1]	Flat-to-low single digit organic growth
Equity free cash flow[2]	USD 540 million	USD ~1 billion

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

[1] Organic change is a non-IFRS measure and reflects changes in revenue and EBITDA. Organic change excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions. In H1 2018 organic growth is calculated at constant currency and excludes the impact from Euroset transaction. See attachment Earnings release for reconciliations

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

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

Agenda

OPENING	Richard James - Head of IR
OVERVIEW AND PRIORITIES	Ursula Burns - Executive Chairman
COUNTRY RESULTS	Kjell Johnsen - COO
GROUP FINANCIAL RESULTS	Trond Westlie - CFO
FINAL REMARKS	Ursula Burns - Executive Chairman
Q&A	

VEON

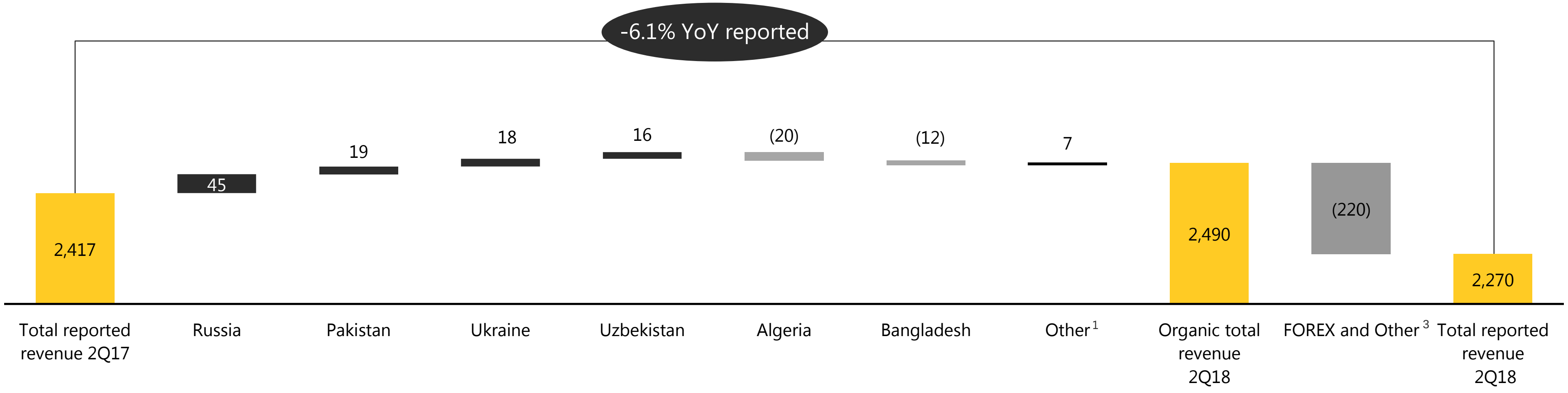
FINAL REMARKS

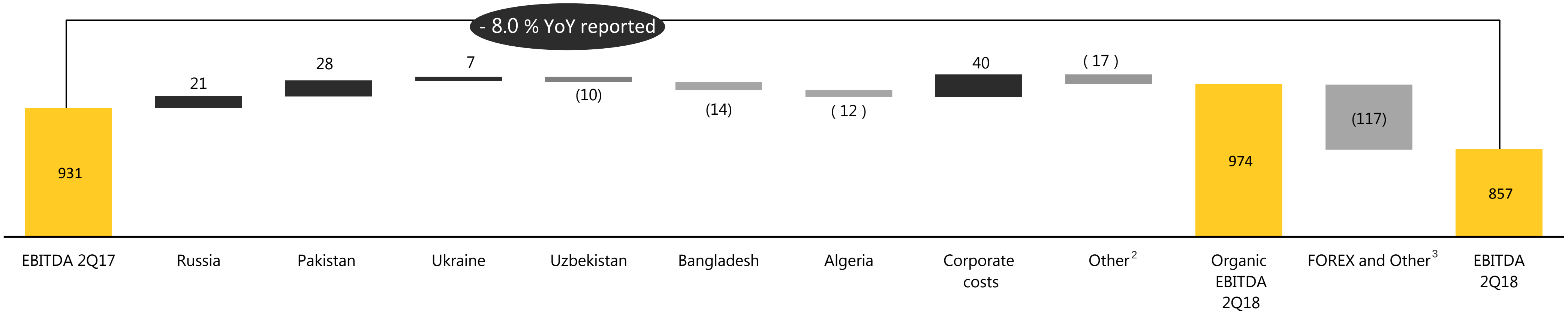
VEON

APPENDIX

Revenue and EBITDA development

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



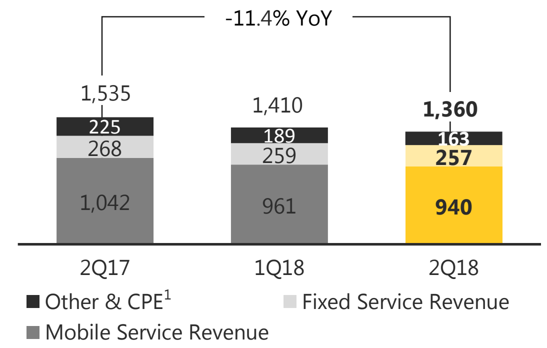


[1] Other includes interconnect, roaming and intercompany eliminations
[2] Other in Q2 2018 mainly includes the results of Kazakhstan, Kyrgyzstan, Armenia, Georgia, Tajikistan, other global operations and services and intercompany eliminations
3 Other includes Euroset integration costs of approximately RUB 1 billion

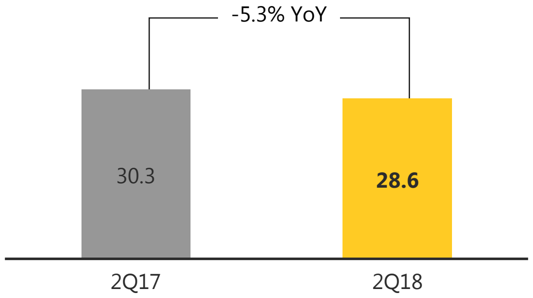
Italy: continued competitive pressure weighs on top-line

VEON

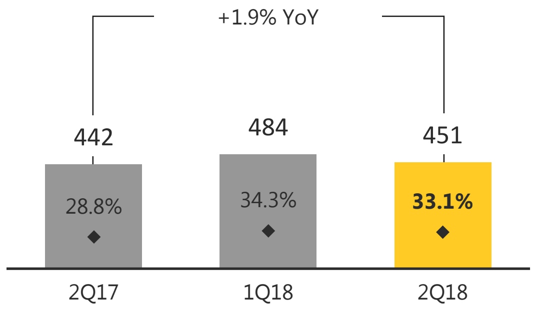
TOTAL REVENUE
(EUR MILLION)



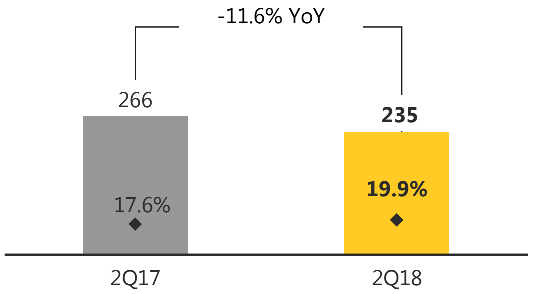
MOBILE CUSTOMERS
(MILLION)



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



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



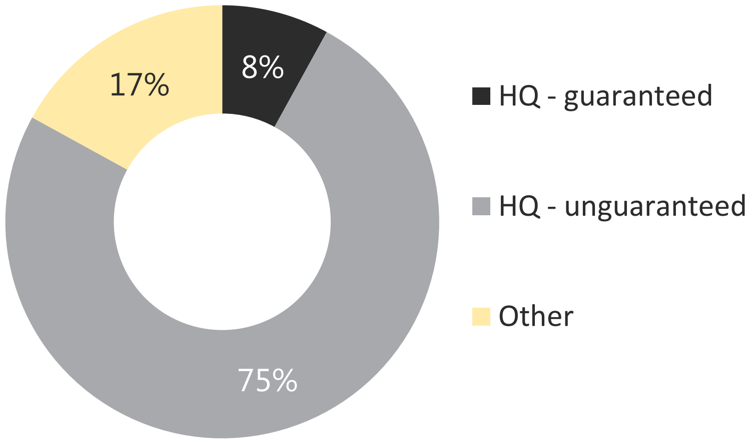
- Service revenue -8.6% YoY, of which:
  - Mobile service revenue -9.8% YoY, mainly due to continued competitive pressure in the market, exacerbated by the new market entrant, impacting both customer base and ARPU
  - Fixed service revenue -4.0% YoY mainly due to the replacement of old ADSL customers with new FTTx subscribers at lower ARPU
- Other & CPE[1] revenue decline mainly due to CPE[1], due to lower gross additions and more selective mobile customer scoring introduced in H2 2017
- EBITDA[2] increased by 1.9% YoY; top-line pressure more than offset by:
  - Change in accounting to IFRS 15, contributing 5.3p.p. of EBITDA growth
  - Incremental synergies (~EUR 41 million in Q2 2018)
  - ~ EUR 45 million lower YoY integration costs

[1] CPE = Customer Premises Equipment
[2] EBITDA and capex figures are in line with Wind Tre statutory reported financial schemes: 2018 compliant with IFRS 15 and 2017 compliant with IAS 18. For comparison purposes: 1Q 2018 EBITDA under IAS 18 would have been 465 EUR million; 1Q 2018 CAPEX under IAS 18 would have been 205 EUR million; 2Q 2018 EBITDA under IAS 18 would have been 427 EUR million; 2Q 2018 CAPEX under IAS 18 would have been 212 EUR million. EBITDA negatively impacted by integration costs of ~EUR 81 million in 2Q 2017 and of ~EUR 35 million in 2Q 2018
[3] 2Q 2018 LTM CAPEX calculated under IAS 18

Group debt structure

30 JUNE 2018

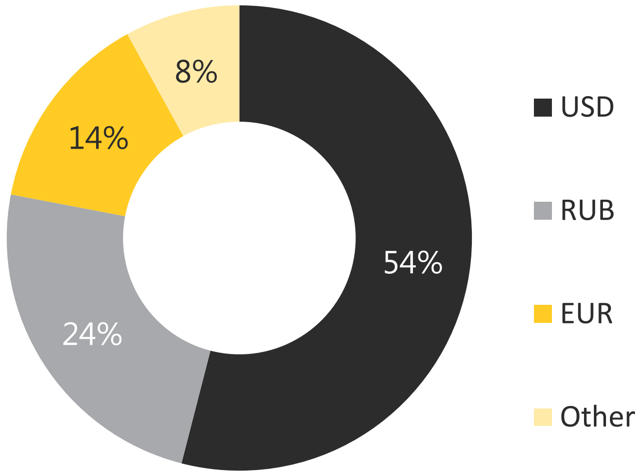
Group debt structure



Gross Debt
USD 10.0 billion

- Average cost of debt: 6.6% (30 June 2017: 6.4%)

Group debt currency mix[1]

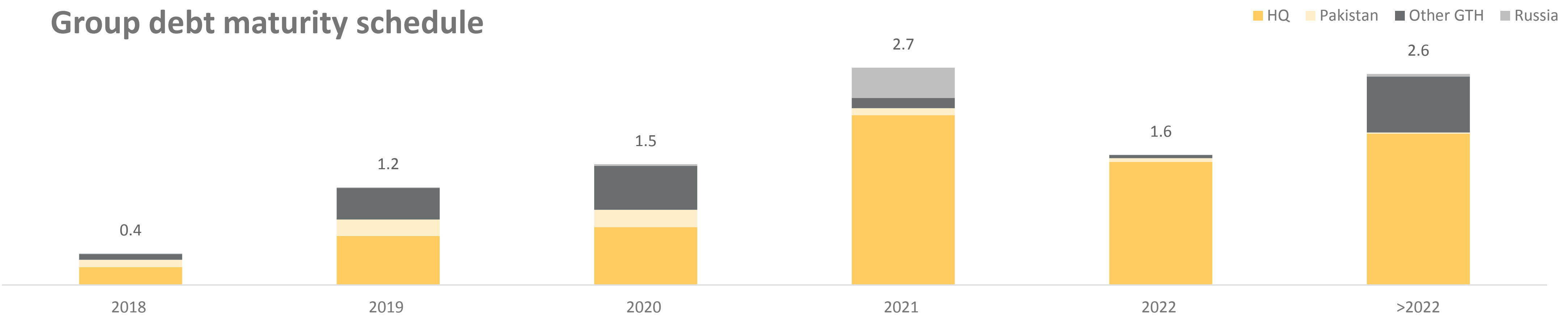


- Average maturity: 3.7 years (30 June 2017: 3.7 years)

[1] Including effect of cross currency swaps

Group debt maturity schedule

30 JUNE 2018,
USD BILLION



Group debt maturity schedule by currency[1]

	2018	2019	2020	2021	2022	>2022	
USD	0.1	1.0	0.6	0.4	0.7	2.6	54%
RUB	0.0	0.0	0.5	1.1	0.8	0.0	24%
EUR	0.1	0.0	0.2	1.0	0.1	0.0	14%
PKR	0.1	0.1	0.2	0.1	0.0	0.0	5%
OTHER	0.1	0.1	0.0	0.1	0.0	0.0	3%

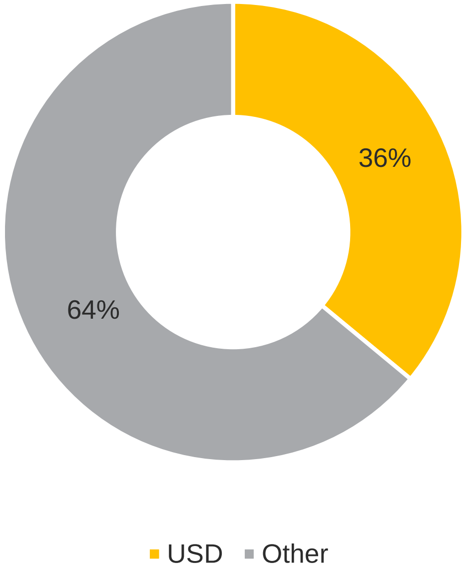
[1] Including effect of cross currency swaps. Principal amount of Group debt taking into account cross-currency swaps is equivalent to USD 10,020 million.

Liquidity overview

VEON

Group cash breakdown by currency

30 JUNE, 2018



Group cash (incl. deposits): USD 1.4 billion

Unused RCF headroom at the end of Q2 2018:

VEON – syndicate	USD 1.69 billion

Unused CF headroom at the end of Q2 2018:

Pakistan – credit facilities	PKR 4.5 billion (USD 0.04 billion)
Banglalink – syndicated TL facility	BDT 17.2 billion (USD 0.21 billion)

Total cash and unused committed credit lines: USD 3.3 billion

Debt by entity

VEON

30 JUNE 2018,
USD MILLION

Outstanding debt	Type of debt				
Entity	**Bonds**	**Loans**	**Cash-pool overdrafts**[1]	**Other**	**Total**
VEON Amsterdam B.V.	-	205	50	-	255
VEON Holdings B.V.	3,683	3,003	150	-	6,836
GTH Finance B.V.	1,200	-	-	-	1,200
PJSC VimpelCom	394	-	-	55	449
Pakistan Mobile Communications Limited	28	635	-	-	663
Banglalink Digital Communications Ltd.	300	155	-	-	455
Optimum Telecom Algérie S.p.A.	-	128	-	-	128
Others	-	-	1	5	6
Total	**5,605**	**4,126**	**201**	**60**	**9,992**
Total excl. cash-pool overdrafts					*9,791*

[1] As of June 30, 2018, some bank accounts forming part of a cash pooling program and being an integral part of VEON's cash management remained overdrawn by US$ 201 million. Even though the total balance of the cash pool remained positive, VEON has no legally enforceable right to set-off and therefore the overdrawn accounts are presented as financial liabilities and form part of our debt in our financial statements.

Forex

	Target rates	Average rates			Closing rates		
	FY 2018	2Q18	2Q17	YoY	2Q18	2Q17	YoY
Russian ruble	60.00	61.80	57.15	8.1%	62.76	59.09	6.2%
Algerian dinar	110.00	115.80	109.04	6.2%	117.50	107.80	9.0%
Pakistan rupee	105.00	116.80	104.81	11.4%	121.58	104.83	16.0%
Bangladeshi taka	79.00	83.78	80.86	3.6%	83.78	80.64	3.9%
Ukrainian hryvnia	27.00	26.18	26.46	(1.1%)	26.19	26.10	0.3%
Kazakh tenge	340.00	329.63	315.01	4.6%	341.08	321.46	6.1%
Uzbekistan som	8,748	8,011.80	3,778.07	112.1%	7,871.66	3,958.56	98.9%
Armenian dram	480	482.75	483.37	(0.1%)	482.24	480.47	0.4%
Kyrgyz som	70.00	68.50	68.12	0.6%	68.18	69.14	(1.4%)
Georgian lari	2.40	2.45	2.42	1.1%	2.45	2.41	1.8%

Forex YoY impact on Revenue and EBITDA

	Revenue	EBITDA
	Q2 2018	**Q2 2018**
Russia	(95)	(36)
Algeria	(12)	(5)
Pakistan	(42)	(20)
Bangladesh	(5)	(2)
Ukraine	2	1
Uzbekistan	(89)	(38)
Other	(6)	(2)
Total	**(247)**	**(102)**