

# VIMPELCOM REPORTS, GOOD OPERATIONAL MOMENTUM WITH 4Q15 AND FY15 RESULTS

## KEY RESULTS AND DEVELOPMENTS

### 2015

- Significant transactions announced for operations in Italy and Pakistan
- Improved capital structure with the tower sale in Italy and the USD bond tender in Russia
- Delivered on 2015 targets
- New strategic framework launched and on track
- Continued operational improvements in most countries
- Strengthened management team

### 4Q15

- Organic<sup>1</sup> revenue growth of 1% YoY, demonstrating operational improvements in most countries
- Underlying<sup>2</sup> EBITDA organically increased 5% YoY. Reported EBITDA declined 26% mainly due to currency headwinds and exceptional items of USD 105 million related to transformation and legal costs
- Reported net income of USD 21 million, including exceptional items

### 2016 Targets

- Service revenue of flat to low single digit organic YoY increase
- EBITDA margin flat to plus one percentage point organically YoY
- Capex/revenue ratio of 17-18%
- Operating cash flow margin flat to two percentage points YoY growth
- Net debt to EBITDA for the Group of ~2x

Amsterdam (February 17, 2016) – VimpelCom Ltd. (NASDAQ: VIP), the international communications and technology company, that is committed to bringing the digital world to each and every customer, today announces financial and operating results for the quarter and year ended December 31, 2015. These results and the prior year numbers reflect the reclassification of Italy as an asset held for sale as a result of the joint venture announced in August 2015.

## CONSOLIDATED FINANCIAL AND OPERATING HIGHLIGHTS

### (ITALY RECLASSIFIED AS AN ASSET HELD FOR SALE)

USD mln	4Q15	4Q14	Reported YoY	Organic <sup>1</sup> YoY	FY15	FY14	Reported YoY	Organic <sup>1</sup> YoY
Total revenue, of which	2,301	3,000	(23%)	1%	9,625	13,517	(29%)	1%
mobile and fixed service revenue	2,193	2,922	(25%)	(1%)	9,332	13,231	(29%)	(0%)
mobile data revenue	313	347	(10%)	21%	1,246	1,453	(14%)	24%
EBITDA	793	1,074	(26%)	3%	2,857	5,560	(49%)	(18%)
EBITDA underlying <sup>2</sup>	898	1,151	(22%)	5%	3,926	5,625	(30%)	(1%)
EBITDA margin underlying <sup>2</sup>	39.0%	38.4%	0.6p.p.	1.6p.p.	40.8%	41.6%	(0.8p.p.)	(0.5p.p.)
Net income/(loss) from continued operations	(190)	(967)	n.m.		(851)	(223)	n.m.	
Net income/(loss) from discontinued operations	252	(90)	n.m.		263	(679)	n.m.	
Net income/(loss) for the period attr. to VIP shareholders	21	(890)	n.m.		(691)	(647)	n.m.	
Capital expenditures excl. licenses	634	799	(21%)		1,753	2,833	(38%)	
Operating cash flow (EBITDA underlying less Capex)	264	352	(25%)		2,173	2,791	(22%)	
Net debt	5,496	6,732	(18%)		5,496	6,732	(18%)	
Net debt / underlying EBITDA	1.4	1.2			1.4	1.2		
Total mobile customers (millions) <sup>3</sup>	196.3	197.1	(0%)		196.3	197.1	(0%)	
Total fixed-line broadband customers (millions)	3.4	3.5	(2%)		3.4	3.5	(2%)	

<sup>1)</sup> Revenue and EBITDA organic growth are non-GAAP financial measures (see attachment E) that reflect changes in revenue and EBITDA excluding foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions

<sup>2)</sup> Underlying EBITDA excludes provisions for investigations and other legal costs, as well as transformation costs and material exceptional adjustments, see Attachment D

<sup>3)</sup> Excluding Italy

For all definitions please see Attachment F

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### JEAN-YVES CHARLIER, CHIEF EXECUTIVE OFFICER, COMMENTS:

*“VimpelCom has delivered on its 2015 targets despite a difficult backdrop of currency devaluations and economic challenges in most emerging markets across the world. We have reported stable organic revenue and EBITDA margin, with continued improvements in most operations.*

*During the year, we announced our new strategy to profoundly transform and reinvent VimpelCom into a leading digital operator and we have made significant progress in the implementation of our strategic initiatives as we continue to streamline our portfolio and transform our cost base.*

*In 2016, we remain firmly committed to executing on our strategy and building on the good momentum of 2015, which will see the company targeting flat to low single digit organic growth in service revenue, underlying EBITDA margins and operating cash flow.”*

### PRESENTATION OF FINANCIAL RESULTS

*VimpelCom 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 in tables, may not be an exact arithmetic aggregation of the figures that precede or follow them.*

## MAIN EVENTS 4Q15

- **Italy joint venture and regulatory review process ongoing, notification submitted**
- **Mobilink to combine with Warid Telecom in Pakistan**
- **Agreement announced to sell Telecel Zimbabwe to ZARNet**
- **Two additional Russia network sharing agreements announced**
- **Jon Eddy appointed Head of Emerging Markets and Christopher Schlaeffer appointed Chief Digital Officer**
- **Telenor announced intention to divest its shares in VimpelCom**
- **Prospective settlements with the SEC/DOJ/OM**

### ITALY JOINT VENTURE AND REGULATORY REVIEW PROCESS ONGOING

In August 2015, VimpelCom announced that it had signed an agreement to enter into a 50-50 joint venture in Italy with CK Hutchison. Under the agreement, VimpelCom will merge WIND with 3 Italia to create a leading convergent operator in Europe's fourth largest market. The formal regulatory review process has commenced with the submission of the merger control notification to the European Commission on February 5, 2016. VimpelCom expects that the transaction will complete around the end of 2016, subject to regulatory approvals. WIND Italy and 3 Italia will continue to operate separately pending completion.

### PAKISTAN BUSINESS MOBILINK TO COMBINE WITH WARID TELECOM

On November 26, 2015, VimpelCom announced that it had reached an agreement to merge its Pakistan telecom business, Mobilink, with Warid Telecom, owned by Dhabi Group shareholders. The transaction is the first merger in the mobile telecommunications sector in Pakistan.

The combined business will service 45 million customers and, together with continued investments, will allow Mobilink and Warid to accelerate the availability of high-speed mobile telecommunications. It will provide customers and businesses with a best-in-class mobile network, more competitively-priced services and wider access to enablement facilities such as mobile financial services.

The transaction is expected to create Capex and Opex synergies with a net present value of approximately USD 500 million. The combined revenue of both companies for the 12 months to September 2015 was USD 1.4 billion.

The transaction is expected to close within 6 months from the announcement; subject to obtaining approvals from the relevant regulatory authorities in Pakistan and the satisfaction of customary closing conditions.

### AGREEMENT ANNOUNCED TO SELL OPERATION IN ZIMBABWE

On November 18, 2015, VimpelCom announced that its 51.9% owned subsidiary, Global Telecom Holding, had

entered into an agreement with ZARNet (Private) Ltd to sell its stake in Telecel International Ltd for USD 40 million. Telecel International owns 60% of Telecel Zimbabwe (Pvt) Ltd. Transfer of ownership to ZARNet will occur after customary conditions are satisfied.

ZARNet is wholly owned by the Government of the Republic of Zimbabwe through the Ministry of Information & Communication Technology, Postal and Courier Services.

### FURTHER 4G/LTE NETWORK SHARING IN RUSSIA

VimpelCom announced two additional network sharing agreements in Russia. On December 18, 2015, VimpelCom and MTS announced a large-scale project to share 4G/LTE frequencies in 20 regions of Russia, as an amendment to their December 2014 agreement. In the long-term, the agreement will allow for a doubling of the peak speeds currently available to MTS and Beeline Russia customers of up to 150 Mbps. Average data speeds are also expected to grow for the 4G/LTE users in the regions covered.

On January 27, 2016, VimpelCom and MegaFon announced a joint project to develop base stations and share 4G/LTE network development and operations across 10 regions of Russia. The agreement, which will see construction and operation costs shared by the two companies, will accelerate 4G/LTE coverage penetration across the 10 regions at lower costs.

### NEW SENIOR MANAGEMENT TEAM APPOINTMENTS

In January 2016, VimpelCom appointed two new members to its management team. Christopher Schlaeffer was appointed Chief Digital Officer, and Jon Eddy was appointed Head of Emerging Markets.

Jon Eddy, as VimpelCom's CEO for Emerging Markets, will be responsible for VimpelCom's businesses in Algeria, Pakistan and Bangladesh, reporting to VimpelCom CEO, Jean-Yves Charlier. He joins VimpelCom from dtac, Thailand's second largest mobile operator, where he was CEO. He has previously been CEO of Telenor Pakistan, COO of Maxis Mobile in Malaysia and CTO at Digi Telecom in Malaysia.

Christopher Schlaeffer will be responsible for driving VimpelCom's transformation into an open digital model and new ecosystem for the industry, supporting the development of new digital services and telecom propositions for customers, as well as leading the Group's global commercial functions. He joins VimpelCom from his role as Founder and CEO of two tech startups in Berlin and London. Prior to this, Christopher was with Deutsche Telekom for 12 years.

Other recent appointments include Erik Aas as the new CEO of Bangladesh and Alexander Komarov as the new CEO of Kazakhstan, all of which represent another milestone in the strengthening of VimpelCom's senior leadership team.

#### **TELENOR DIVESTURE ANNOUNCEMENT**

On October 5, 2015, Telenor announced its decision to divest its shares in VimpelCom and stated that it will not convert its preferred shares into common shares. Telenor has been a long-standing and highly supportive shareholder for many years, helping to build VimpelCom's business. As VimpelCom moves forward with its recently announced new business strategy, it will work with Telenor to ensure a successful divestiture of its stake.

#### **INVESTIGATIONS BY SEC/DOJ/OM**

As previously disclosed, VimpelCom Ltd. (the "Company") has engaged in discussions with the U.S. Department of Justice (the "DOJ"), the U.S. Securities and Exchange Commission (the "SEC") and the Dutch Public Prosecution Service (Openbaar Ministerie) ("OM") toward the resolution of the Company's potential liabilities in the ongoing investigations relating primarily to the Company's business in Uzbekistan and prior dealings with Takilant Ltd. These discussions have resulted in prospective settlements with the SEC, DOJ and OM. These prospective settlements remain subject to the approval of the pertinent authorities, and will not become final or announced until that time.

Based on the terms of the prospective settlements with the SEC, DOJ and OM, the Company and certain subsidiaries would, among other things, acknowledge certain violations of the U.S. Foreign Corrupt Practices Act and relevant Dutch laws and pay fines and disgorgements to the SEC, DOJ and OM, with those financial penalties within the previously disclosed provision for that purpose.

At this time, the Company will make no further comments on the prospective settlements, and reiterates that there can be no assurance that they will become effective in accordance with the terms described above.

## GROUP PERFORMANCE

### 2015

- 2015 results in line with targets:
  - Service revenue of USD 9.3 billion declined organically 0.2% YoY
  - Underlying EBITDA margin of 40.8% organically decreased 0.5 percentage point
  - Capex to revenue of 18.2%, at the lower end of the target range and a 2.8 p.p. improvement YoY
  - Net debt to EBITDA of 1.4x

### 4Q15

- Revenue organic growth of 1% YoY, demonstrating operational improvements in most OpCos
- Underlying EBITDA organically increased 5% YoY. Reported EBITDA declined 26% mainly due to currency headwinds and exceptional items of USD 105 million related to transformation and legal costs
- Reported net income of USD 21 million, including exceptional items

## FINANCIALS BY BUSINESS UNIT

USD mln	4Q15	4Q14	Reported YoY	Organic YoY	FY15	FY14	Reported YoY	Organic YoY
<b>Total revenue</b>	<b>2,301</b>	<b>3,000</b>	<b>(23%)</b>	<b>1%</b>	<b>9,625</b>	<b>13,517</b>	<b>(29%)</b>	<b>1%</b>
Russia	1,089	1,580	(31%)	(3%)	4,602	7,459	(38%)	(1%)
Emerging markets	711	798	(11%)	(0%)	2,910	3,294	(12%)	(2%)
Eurasia	506	692	(27%)	2%	2,206	2,934	(25%)	3%
HQ and eliminations	(5)	(70)	n.m.	n.m.	(92)	(170)	n.m.	n.m.
<b>EBITDA</b>	<b>793</b>	<b>1,074</b>	<b>(26%)</b>	<b>3%</b>	<b>2,857</b>	<b>5,560</b>	<b>(49%)</b>	<b>(18%)</b>
Russia	408	580	(30%)	(1%)	1,807	2,980	(39%)	(3%)
Emerging markets	317	308	3%	18%	1,340	1,472	(9%)	3%
Eurasia	251	304	(17%)	15%	1,067	1,407	(24%)	3%
HQ and eliminations	(183)	(118)	n.m.	n.m.	(1,358)	(300)	n.m.	n.m.
<b>EBITDA margin</b>	<b>34.4%</b>	<b>35.8%</b>	<b>(1.4p.p.)</b>		<b>29.7%</b>	<b>41.1%</b>	<b>(11.4p.p.)</b>	
<b>EBITDA underlying</b>	<b>898</b>	<b>1,151</b>	<b>(22%)</b>	<b>5%</b>	<b>3,926</b>	<b>5,625</b>	<b>(30%)</b>	<b>(1%)</b>
Russia	398	580	(31%)	(3%)	1,797	2,980	(40%)	(3%)
Emerging markets	354	361	(2%)	12%	1,377	1,525	(10%)	2%
Eurasia	252	328	(23%)	7%	1,089	1,442	(24%)	2%
HQ and eliminations	(106)	(118)	(10%)	n.m.	(338)	(323)	4%	n.m.
<b>EBITDA margin underlying</b>	<b>39.0%</b>	<b>38.4%</b>	<b>0.6p.p.</b>	<b>1.6p.p.</b>	<b>40.8%</b>	<b>41.6%</b>	<b>(0.8p.p.)</b>	<b>(0.5p.p.)</b>

## FY15 ANALYSIS

**Total Group revenue** in 2015 increased organically 1% YoY to USD 9.6 billion, driven by positive performance in Pakistan, Bangladesh, Ukraine, Uzbekistan and Kyrgyzstan, in part offset by negative performance primarily in Algeria and Kazakhstan. Reported revenue YoY declined 29% due to the adverse impact of currency movements in 2015. Service revenue was broadly flat YoY organically, due to a decline in voice revenue offset by strong growth in mobile data revenue. Total mobile customers decreased by 0.8 million to 196.3 million by the end of 4Q15, mainly due to the impact of regulation of the telecom industry in Pakistan, requiring operators to block unverified SIMs in 2Q15. Excluding this effect, the Group customer base would have grown by 4.8 million YoY.

In **Russia**, total revenue organically declined 1% YoY, as a result of a reduction in fixed-line service revenue, while mobile service revenue slightly increased. Fixed-line service revenue decreased by 12% YoY, as a result of a reduction in

low-margin traffic. Mobile service revenue slightly increased 0.2% YoY, driven by 17% YoY growth in mobile data revenue to RUB 44.5 billion and growing interconnect revenue, partially offset by decreasing voice revenue. Beeline's mobile customer base expanded 4% to 59.8 million YoY mainly as a result of sales through the Svyaznoy retail channel and improved churn rate.

**Emerging markets**, total revenue decreased organically 2% YoY in 2015, due to negative performance in Algeria, partially offset by positive performance in Bangladesh and Pakistan. Competition in all countries intensified during 2015, especially in data offers. The business unit continues to see customer growth, with 4.2 million added in year, excluding the impact of unverified SIMs blocking in Pakistan in 2Q15 of 5.6 million customers. In Algeria, service revenue decreased 7% YoY in FY15, due to churn of high value customers and ARPU erosion, partially offset by strong growth in mobile data revenue. In Pakistan, service revenue

increased 1% YoY, as a result of 80% YoY growth in mobile data revenue and strong growth in mobile financial service revenue. In Bangladesh, service revenue reported a growth of 8% YoY in FY15, driven by 5% YoY growth in the customer base to 32.3 million and a strong growth in mobile data revenue of 81% YoY.

Total revenue in **Eurasia** increased organically 3% YoY, mainly driven by service revenue growth in Ukraine, Uzbekistan and Kyrgyzstan, partially offset by a decline in service revenue in Kazakhstan. In Ukraine, service revenue grew 10% YoY, as a result of increased international incoming revenue positively impacted by USD dollar pricing, strong growth of mobile data revenue to UAH 1.4 billion and new commercial activities in 2015. In Uzbekistan, service revenue increased 10% YoY to UZS 1,825 billion primarily as a result of 14% YoY growth in mobile data to UZS 349 billion and an indexation impact due to Beeline's price plans being denominated in US dollars. In Kyrgyzstan, service revenue increased 10% YoY to KGS 10.5 billion, driven by 26% YoY mobile data revenue growth to KGS 1.2 billion. In Kazakhstan, service revenue decreased 7% YoY to KZT 126.2 billion, driven by 9% decline in mobile service revenue to KZT 110 billion, partially offset by 11% YoY growth in fixed-line service revenue to KZT 16.1 billion. Mobile service revenue decreased due to increased competition and a 29% YoY reduction in mobile termination rates (MTR) to KZT 8.0 from KZT 11.2.

Reported **Group EBITDA** in FY15 declined to USD 2.9 billion million due to the exceptional items mentioned below, excluding which, underlying EBITDA was USD 3.9 billion, an organic decrease of 1% YoY.

In 2015, VimpelCom has recognized **exceptional items**, totaling USD 1,069 million. The major items comprise USD 927 million of provisions for investigations and legal costs (of which USD 900 million is the provision for future costs

related investigations by SEC/DOJ/OM), as well as transformation costs of USD 156 million related to the Group wide performance transformation program, partially offset by exceptional adjustments of USD 14 million (refer to Attachment D). Reported EBITDA is negatively impacted by USD 1,069 million.

In 2014, VimpelCom recognized exceptional items totaling USD 65 million, mainly due to the closing of the Algeria transaction.

The reconciliation table for EBITDA and underlying EBITDA is disclosed in Attachment D.

In **Russia**, underlying EBITDA decreased organically 3% YoY due to the negative impact of the depreciation of the ruble which impacted roaming and interconnect costs.

**Emerging markets** showed underlying EBITDA organic growth of 2% YoY due to continued cost efficiency initiatives and decreases in utility costs. Underlying EBITDA increased organically 7% YoY in Pakistan and 23% YoY in Bangladesh, as a result of revenue growth and results from performance transformation initiatives, while in Algeria underlying EBITDA decreased organically 4% YoY due to revenue decline.

**Eurasia** reported an organic growth of 2% YoY in underlying EBITDA in 2015, mainly driven by strong revenue performance in Ukraine and Uzbekistan, partially offset by a decline in Kazakhstan. In Ukraine, underlying EBITDA increased organically by 13% YoY and in Uzbekistan by 9% YoY. In Kazakhstan, underlying EBITDA decreased 11% YoY organically due to intensified competition and devaluation of the Kazakh tenge.

## INCOME STATEMENT ELEMENTS & CAPITAL EXPENDITURES

USD mln	4Q15	4Q14	YoY	FY15	FY14	YoY
<b>Total revenue</b>	<b>2,301</b>	<b>3,000</b>	<b>(23%)</b>	<b>9,625</b>	<b>13,517</b>	<b>(29%)</b>
Service revenue	2,193	2,922	(25%)	9,332	13,231	(29%)
<b>EBITDA</b>	<b>793</b>	<b>1,074</b>	<b>(26%)</b>	<b>2,857</b>	<b>5,560</b>	<b>(49%)</b>
<b>EBITDA margin</b>	<b>34.4%</b>	<b>35.8%</b>	<b>(1.4p.p.)</b>	<b>29.7%</b>	<b>41.1%</b>	<b>(11.4p.p.)</b>
Depreciation and amortization and other	(644)	(1,611)	(60%)	(2,350)	(3,687)	(36%)
<b>EBIT</b>	<b>148</b>	<b>(536)</b>	<b>n.m.</b>	<b>506</b>	<b>1,873</b>	<b>(73%)</b>
Financial income and expenses	(184)	(220)	(16%)	(777)	(1,025)	(24%)
Net foreign exchange (loss)/gain and others	(64)	(176)	(63%)	(343)	(472)	(27%)
<b>Profit/(loss) before tax</b>	<b>(100)</b>	<b>(933)</b>	<b>n.m.</b>	<b>(613)</b>	<b>375</b>	<b>n.m.</b>
Income tax expense	(90)	(34)	163%	(238)	(599)	(60%)
<b>Profit/(loss) from continued operations</b>	<b>(190)</b>	<b>(967)</b>	<b>n.m.</b>	<b>(851)</b>	<b>(223)</b>	<b>n.m.</b>
<b>Profit/(loss) from discontinued operations</b>	<b>252</b>	<b>(90)</b>	<b>n.m.</b>	<b>263</b>	<b>(679)</b>	<b>n.m.</b>
<b>Net income/(loss) attributable to VimpelCom shareholders</b>	<b>21</b>	<b>(890)</b>	<b>n.m.</b>	<b>(691)</b>	<b>(647)</b>	<b>n.m.</b>
	<b>4Q15</b>	<b>4Q14</b>	<b>YoY</b>	<b>FY15</b>	<b>FY14</b>	<b>YoY</b>
Capex expenditures	694	840	(17%)	2,006	3,434	(42%)
Capex expenditures excl licenses	634	799	(21%)	1,753	2,833	(38%)
Capex excl licenses/revenue				18%	21%	

## 4Q15 ANALYSIS

**EBIT** increased YoY to USD 148 million in 4Q15 due to fewer impairment charges and lower depreciation. The decrease in depreciation and amortization was a result of weakening local currencies and accelerated depreciation due to network equipment swap in Pakistan. Impairment charges in 4Q15 amounted to USD 136 million, mainly related to network equipment in Pakistan and Russia, while 4Q14 impairment charges of USD 1.0 billion included a goodwill impairment related to assets in Ukraine, Pakistan and Laos.

**Loss before tax** decreased YoY to USD 100 million as a result of higher EBIT. The higher financial expenses were a result of additional charges due to the repayment and issuance of ruble bonds at the PJSC level. Depreciating local currencies resulted in foreign exchange losses in 4Q15, however fewer than in 4Q14.

**Income tax expenses** increased YoY in 4Q15 to USD 90 million due to improved net results in Emerging markets and Ukraine.

**Profit from discontinued operations** was USD 252 million in 4Q15, improving YoY compared to a loss of USD 90 million in 4Q14, mainly due to significantly lower financial expenses as a result of a refinancing of WIND Italy.

**Net income** attributable to VimpelCom shareholders was USD 21 million, impacted by the exceptional items in Opex aggregating to USD 105 million in 4Q15.

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## FY15 ANALYSIS

**EBIT** decreased YoY to USD 506 million in FY15 due to local currency depreciation against the US dollar and exceptional items included above in EBITDA amounting to USD 1,069 million, compared to a provision of USD 50 million in 2014 related to the closing of the Algeria transaction. This was partially offset by lower impairment charges in FY15 of USD 245 million compared to USD 1.0 billion in FY14.

**Loss before tax** increased YoY to USD 613 million due to lower EBIT, partially offset by significantly lower financial expenses as a result of successful refinancing activities during 2014 and 2015.

**Income tax expenses** decreased YoY in FY15 to USD 238 million due to a decrease in provisions for future withholding taxes on intercompany dividends.

**Profit from discontinued operations** was USD 263 million in FY15, improving YoY compared to a loss of USD 679 million in FY14, mainly due to significantly lower financial expenses as a result of a refinancing conducted at WIND Italy.

**Net loss** attributable to VimpelCom shareholders was USD 691 million, significantly impacted by the exceptional items amounting to USD 1,069 million in FY15.

**Capex** excluding licenses decreased 38% YoY to USD 1,753 million in FY15, mainly due to the depreciation of local currencies against the US dollar as well as organic Capex savings. 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, Italy and Georgia, as well as 3G networks in Algeria, Pakistan, Bangladesh and Ukraine.

## FINANCIAL POSITION & CASH FLOW

USD mln	4Q15	3Q15	QoQ
Total assets	33,841	34,928	(3%)
Shareholders' equity	3,729	4,262	(13%)
Gross debt	9,544	9,742	(2%)
Net debt	5,496	5,437	1%
Net debt / underlying LTM EBITDA	1.4	1.3	

USD mln	4Q15	4Q14	YoY	FY15	FY14	YoY
<b>Net cash from operating activities</b>	<b>907</b>	<b>1,398</b>	<b>(492)</b>	<b>2,033</b>	<b>5,279</b>	<b>(3,246)</b>
from continued operations	485	917	(432)	1,104	4,613	(3,509)
from discontinued operations	422	482	(60)	929	666	263
<b>Net cash from / (used in) investing activities</b>	<b>(949)</b>	<b>(906)</b>	<b>(43)</b>	<b>(2,634)</b>	<b>(3,977)</b>	<b>1,344</b>
from continued operations	(674)	(580)	(94)	(2,494)	(2,994)	500
from discontinued operations	(275)	(326)	50	(140)	(984)	844
<b>Net cash from / (used in) financing activities</b>	<b>(100)</b>	<b>259</b>	<b>(359)</b>	<b>(1,439)</b>	<b>1,329</b>	<b>(2,768)</b>
from continued operations	(97)	368	(465)	(732)	2,007	(2,739)
from discontinued operations	(3)	(109)	106	(707)	(678)	(29)

**Gross debt** decreased 2% QoQ due to RUB depreciation against the US dollar (for a detailed debt composition by the end of 2015, please see Appendix B "Debt Overview"). However, **net debt** slightly increased 1% QoQ due to a decrease in cash and cash equivalents.

**Net cash from operating activities** declined YoY due to the decline in EBITDA mainly due to negative currency headwinds, which was only slightly offset by the positive effect of lower interest payments.

**Net cash flow used in investing** activities decreased YoY as a combined effect of a decrease in cash Capex of 40% YoY

to USD 1,717 million in 2015, offset by deposits outflows. In 2014, the same cash flow line was positively impacted by the sale of the company's interests in the Central African Republic, Burundi and Wind Canada and deposits cash inflows.

**Net cash used in financing activities** increased YoY in 2015 due to debt repayment, in particular the settlement of the bond tender offer and cash as a result of the transaction in Algeria used to repay debt. 2014 figure can be explained by drawdowns under HQ credit facilities.

## COUNTRY PERFORMANCE - 4Q15

- Russia
  - Algeria
  - Pakistan
  - Bangladesh
  - Ukraine
  - Kazakhstan
  - Other
- Emerging markets
- Eurasia

## FINANCIALS BY COUNTRY

USD mln	4Q15	4Q14	Reported YoY	Organic YoY	FY15	FY14	Reported YoY	Organic YoY
<b>Service revenue</b>	<b>2,193</b>	<b>2,922</b>	<b>(25%)</b>	<b>(1%)</b>	<b>9,332</b>	<b>13,231</b>	<b>(29%)</b>	<b>(0%)</b>
Russia	1,030	1,511	(32%)	(4%)	4,433	7,249	(39%)	(2%)
Algeria	292	393	(26%)	(7%)	1,259	1,678	(25%)	(7%)
Pakistan	241	239	1%	4%	960	966	(1%)	1%
Bangladesh	151	144	4%	6%	596	556	7%	8%
Ukraine	152	215	(29%)	12%	621	1,059	(41%)	10%
Kazakhstan	106	192	(45%)	(9%)	593	754	(21%)	(7%)
Uzbekistan	183	186	(1%)	12%	710	717	(1%)	10%
Kyrgyzstan	38	45	(16%)	7%	163	177	(8%)	10%
Armenia	25	32	(19%)	(10%)	107	136	(21%)	(9%)
Tajikistan	28	33	(17%)	(17%)	118	142	(17%)	(17%)
Georgia	12	21	(42%)	(24%)	56	77	(27%)	(7%)
HQ and eliminations	(65)	(89)	n.m.	n.m.	(283)	(280)	n.m.	n.m.
<b>EBITDA reported</b>	<b>793</b>	<b>1,074</b>	<b>(26%)</b>	<b>3%</b>	<b>2,857</b>	<b>5,560</b>	<b>(49%)</b>	<b>(18%)</b>
Russia	408	580	(30%)	(1%)	1,807	2,980	(39%)	(3%)
Algeria	162	148	10%	39%	684	857	(20%)	0%
Pakistan	104	99	5%	8%	409	386	6%	8%
Bangladesh	51	60	(15%)	(14%)	242	219	10%	11%
Ukraine	75	92	(19%)	30%	292	484	(40%)	15%
Kazakhstan	46	78	(41%)	(2%)	276	349	(21%)	(7%)
Uzbekistan	121	115	6%	20%	437	461	(5%)	5%
Kyrgyzstan	21	23	(9%)	15%	91	91	1%	21%
Armenia	7	6	9%	30%	40	46	(13%)	1%
Tajikistan	17	13	36%	36%	75	62	20%	20%
Georgia	2	5	(59%)	(45%)	10	20	(49%)	(34%)
HQ and eliminations	(220)	(143)	n.m.	n.m.	(1,506)	(396)	n.m.	n.m.
<b>EBITDA Underlying</b>	<b>898</b>	<b>1,151</b>	<b>(22%)</b>	<b>5%</b>	<b>3,926</b>	<b>5,625</b>	<b>(30%)</b>	<b>(1%)</b>
Russia	398	580	(31%)	(3%)	1,797	2,980	(40%)	(3%)
Algeria	174	198	(12%)	11%	696	907	(23%)	(4%)
Pakistan	106	102	4%	7%	409	389	5%	7%
Bangladesh	74	60	24%	25%	267	219	22%	22%
Ukraine	75	97	(23%)	23%	292	489	(40%)	13%
Kazakhstan	47	91	(48%)	(15%)	282	373	(25%)	(11%)
Uzbekistan	121	115	6%	20%	453	461	(2%)	9%
Kyrgyzstan	21	23	(9%)	15%	91	91	1%	21%
Armenia	7	6	9%	30%	40	46	(13%)	1%
Tajikistan	17	13	36%	36%	75	62	20%	20%
Georgia	2	11	(82%)	(76%)	10	26	(61%)	(50%)
HQ and eliminations	(143)	(143)	n.m.	n.m.	(486)	(419)	n.m.	n.m.

Note: HQ and eliminations in "financials by countries" differ from the "financials by business unit" due to eliminations within business unit.

## RUSSIA

RUB mln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	71,747	73,947	(3%)	278,427	281,898	(1%)
Mobile service revenue	56,543	56,360	0%	221,925	221,438	0%
Fixed-line service revenue	11,279	14,217	(21%)	46,041	52,064	(12%)
EBITDA	26,887	27,042	(1%)	109,020	111,935	(3%)
EBITDA underlying	26,149	27,042	(3%)	108,281	111,935	(3%)
EBITDA margin	37.5%	36.6%	0.9p.p.	39.2%	39.7%	(0.6p.p.)
EBITDA margin underlying	36.4%	36.6%	(0.1p.p.)	38.9%	39.7%	(0.8p.p.)
Capex excl licenses	23,368	20,648	13%	52,069	59,675	(13%)
Capex excl licenses /revenue				19%	21%	
<b>Mobile</b>						
Total revenue	60,302	59,637	1%	232,088	229,266	1%
- of which mobile data	12,253	10,523	16%	44,691	38,065	17%
Customers (mln)	59.8	57.2	4%			
- of which data users (mln)	34.3	32.8	5%			
ARPU (RUB)	314	325	(3%)			
MOU (min)	319	316	1%			
Data usage (MB)	1,712	1,313	30%			
<b>Fixed-line</b>						
Total revenue	11,445	14,309	(20%)	46,339	52,632	(12%)
Broadband revenue	2,886	3,230	(11%)	11,983	12,771	(6%)
Broadband customers (mln)	2.2	2.3	(3%)			
Broadband ARPU (RUB)	432	477	(10%)			

In 4Q15 Russia continued to execute on its plan, focusing on driving customer excellence and creating a more customer-centric organization. As a result, the company has reported another quarter of continued operational improvements in churn and growing the customer base. However, the macro-economic slowdown and weakened ruble continued to negatively impact revenue growth and profitability.

Beeline's mobile customer base expanded 4% YoY to 59.8 million in 4Q15 mainly as a result of improved churn and sales through the Svyaznoy retail channel and monobrand stores, representing the fifth consecutive quarter of year on year customer growth. More importantly, the quality of the customer base improved and churn declined 12 percentage points YoY to an annualized rate of 51% as a result of strong active sales and growth of customer reactivations in December. Beeline remains the number two ranked NPS operator among the three largest operators, but improved its relative position compared to the leader.

Total service revenue in 4Q15 declined 4% YoY to RUB 67.8 billion, as a result of a decline in fixed-line service revenue. At the same time, mobile service revenue increased slightly YoY to RUB 56.5 billion, driven by 16% YoY growth in mobile data revenue to RUB 12.3 billion and growing interconnect revenue.

The increase in mobile data revenue is attributable to the active bundle promotion and customer traffic growth, although this was partially offset 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.

Fixed-line service revenue decreased by 21% YoY to RUB 11.3 billion as a result of a reduction in low-margin traffic, and lower B2B revenue due to the macro-economic slowdown.

EBITDA decreased 0.6% YoY to RUB 26.9 billion due to the negative impact of the depreciation of the ruble on roaming and interconnect costs and a provisioning of RUB 1.4 billion for restructuring costs related to the performance transformation program. This was partially offset by a positive one-off adjustment of RUB 2.2 billion related to site rental capitalization and a reduction in Opex. EBITDA margin increased 0.9 percentage points YoY to 37.5%. Underlying EBITDA excluding the adjustments related to the performance transformation costs and site rental capitalization decreased 3% YoY. Excluding the negative effect of the weakening ruble, underlying EBITDA would have been stable.

The company is continuing its efforts to improve the quality of its distribution channels. Beeline is increasing the number of owned monobrand stores every month which is allowing the company to enhance the level of customer service, increase smartphone penetration and reduce overall churn. Beeline also introduced the Family Bundle, a family tariff offer that packages services providing free unlimited calls between family members, all on one account. In addition, special content for family entertainment is offered.

The company continued to invest in high-speed data networks during the quarter and is on track with its plans for the accelerated roll out of 4G/LTE. On December 18, 2015, it announced an agreement with MTS to share 4G/LTE radio frequencies in 20 regions of Russia. In the long term, the agreement allows for a doubling of the peak speeds available to customers up to 150 Mbps. In addition, VimpelCom and MegaFon announced a joint project to develop base stations and share 4G/LTE network development and operation across 10 regions of Russia. FY15 Capex to revenue ratio stood at 19%.

## ALGERIA

DZD bln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	31.9	33.7	(5%)	127.6	136.2	(6%)
Mobile service revenue	31.2	33.5	(7%)	126.1	135.0	(7%)
of which mobile data	1.4	0.7	116%	4.6	1.6	185%
EBITDA	17.3	12.4	39%	68.6	68.5	0%
EBITDA Underlying	18.6	16.7	11%	69.8	72.8	(4%)
EBITDA margin	54%	37%	17.4p.p.	54%	50%	3.4p.p.
EBITDA Underlying margin	58%	50%	8.7p.p.	55%	53%	1.3p.p.
Capex excl licenses	7.3	7.0	5%	19.5	31.2	(38%)
Capex excl licenses revenue				15%	23%	
<b>Mobile</b>						
Customers (mln)	17.0	17.7	(4%)			
- of which mobile data customers (mln) <sup>1</sup>	2.9	0.8	247%			
ARPU (DZD)	608	622	(2%)			
MOU (min)	375	200	87%			
Data usage (MB)	416	169	146%			

<sup>1)</sup> Data customers include customers that have performed at least one mobile data event on 3G network in the previous four months

Djezzy continued to implement its transformation program in 4Q15 which is expected to take another 9 months to complete. However the market remained challenging with ongoing aggressive price competition and device promotions. As a result, the improvement in revenue trends seen over previous quarters reversed during 4Q15, although EBITDA continued to improve.

In 3Q15, the Algerian telecom regulator approved the 2015-2016 interconnection rates for mobile operators, which is favorable for Djezzy as it partially reduced the asymmetry on the rates. The national incoming interconnect rate increased from DZD 0.96 to DZD 1.1 and outgoing interconnect rate decreased from DZD 2.2 to DZD 1.8-1.9. As a result, Djezzy recorded additional revenue of approximately DZD 0.5 billion and reduced service costs by DZD 0.2 billion in 4Q15.

Djezzy's service revenue declined 7% YoY mainly due to high value customer churn and ARPU erosion. This is mainly due to the impact of the delayed launch of 3G. In order to mitigate this impact Djezzy launched several offers in 4Q15 for its prepaid segment, as well as increased the focus on postpaid and data offers. Data revenue continued its strong growth doubling YoY.

The customer base declined 4% YoY to 17.0 million in 4Q15 as a result of price competition and a gap versus competitors in a 3G roll-out. However, Djezzy still remains the market NPS leader.

Mobile ARPU decreased 2% YoY due to the churn of high-value customers and as a result of the migration of customers to the new offers and bundles.

Underlying EBITDA, excluding 4Q14 adjustments related to the Algeria transaction and performance transformation costs in 4Q15, increased 11% YoY to DZD 18.6 billion due to the favorable change in interconnect rates and the impact of the operational excellence and performance transformation program. Reported EBITDA margin remained robust at 54%.

Djezzy continued its investments in its high-speed 3G network and 2G network modernization. In 4Q15, Capex excluding licenses was DZD 7.3 billion, a 5% increase YoY due to the ongoing roll-out of 3G to new regions, with a FY15 Capex to revenue ratio at 15%. At the end of December 2015, Djezzy's 3G network covered 55% of the country's population. In November 2015, Djezzy received approval to roll out 3G to all regions in Algeria by the end of 2016 compared to the previous restriction of 2017 in the initial 3G license.

## PAKISTAN

PKR bln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	26.8	25.5	5%	104.2	102.0	2%
Mobile service revenue	25.3	24.3	4%	98.6	97.6	1%
of which mobile data	2.6	1.4	79%	8.8	4.9	80%
EBITDA	10.9	10.1	8%	42.0	39.0	8%
EBITDA Underlying	11.1	10.1	10%	41.9	39.0	7%
EBITDA margin	40.5%	39.5%	1.0p.p.	40.4%	38.2%	2.1p.p.
EBITDA Underlying margin	41.2%	39.5%	1.7p.p.	40.2%	38.2%	2.0p.p.
Capex excl licenses	7.2	9.1	(21%)	24.5	35.4	(31%)
Capex excl licenses /revenue				24%	35%	
<b>Mobile</b>						
Customers (mln)	36.2	38.5	(5.8%)			
- of which mobile data customers (mln)	16.8	14.4	17%			
ARPU (PKR)	228	204	12%			
MOU (min)	689	505	36%			
Data usage (MB)	341	169	101%			

On November 2015, VimpelCom announced it had reached an agreement to merge Mobilink with Warid Telecom to create the leading high-speed mobile operator in Pakistan. The companies are currently in the process of fulfilling pre-closing regulatory approval requirements in Pakistan.

Service revenue growth for the year was 1%, with the decline in voice revenue more than offset by growth in data and MFS. This follows service revenue declines in the past two years. While in 4Q15, Mobilink recorded total revenue growth for the second consecutive quarter, a 5% increase YoY. The increase was driven by data revenue growth of 79% YoY due to attractive bundle offers following the 3G network roll-out. Service revenue increased by 4% YoY. MFS revenue saw good growth of 72% YoY due to an increase in OTC transactions and focused agent-based initiatives. MFS now represents 3% of service revenue.

Mobilink maintained its leading market position during the quarter. This growth follows Mobilink's successful completion of the SIM re-verification process in 1H15, in which the Company managed to verify 87% of its customers representing 99% of its revenue.

Mobilink's customer base increased 3% QoQ in 4Q15 driven by improved segmentation of its customer base, creating distribution channel effectiveness, and continued focus on price simplicity and transparency for its customers. NPS improved in 4Q15, and further improvements remain a key priority for 2016. However, as a result of the blocking of unverified SIMs due to the SIM re-verification process, the customer base decreased 6% YoY to 36.2 million in 4Q15.

As part of its continued efforts to stimulate smartphone penetration growth, in 4Q15 Mobilink launched co-branded phones and a new handset brand 'Jazz X' with a low-end feature phone and three high-end smartphones. Initial sales volumes are encouraging.

Underlying EBITDA margin increased 1.7 p.p. YoY to 41.2% in 4Q15, representing three consecutive quarters of growth as a result of the above mentioned revenue increase and cost efficiency initiatives, mainly in procurement and utilities.

Capex in 4Q15 decreased to PKR 7.2 billion YoY as the 2G network modernization was completed in 2014; the FY15 Capex to revenue ratio was at 24% and the company continues to invest in its high-speed 3G network roll-out.

## BANGLADESH

BDT bln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	12.0	11.3	6%	47.1	43.7	8%
Mobile service revenue	11.8	11.2	6%	46.4	43.1	8%
of which mobile data	1.0	0.6	65%	3.2	1.8	81%
EBITDA	4.0	4.6	(14%)	18.9	17.0	11%
EBITDA Underlying	5.7	4.6	24%	20.8	17.0	23%
EBITDA margin	33.1%	40.8%	(7.7p.p.)	40.1%	38.9%	1.1p.p.
EBITDA Underlying margin	47.9%	40.8%	7.1p.p.	44.2%	38.9%	5.3p.p.
Capex excl licenses	3.3	4.6	(29%)	10.5	13.8	(24%)
Capex excl licenses /revenue				22%	32%	
<b>Mobile</b>						
Customers (mln)	32.3	30.8	5%			
- of which mobile data customers (mln)	14.0	12.2	15%			
ARPU (BDT)	121	122	(0%)			
MOU (min)	305	303	1%			
Data usage (MB)	134	52	155%			

Banglalink continues to demonstrate strong growth and an improving financial performance despite intensifying market competition. The company maintained its focus on customer acquisition through attractive, simple offers that enhance price perception, while also continuing with its promotions to stimulate data usage. Banglalink also continued to expand its 3G roll-out, which now effectively covers 33% of the country's population.

In 4Q15, Banglalink's total revenue increased 6% YoY to BDT 12 billion, despite a three percentage point negative impact from the imposition of a new tax based on mobile usage. This result was mainly attributable to a 5% YoY customer growth to 32 million, a 65% YoY increase in data revenue and a 41% increase in content revenue. However, the introduction of biometric identity verification of both new and existing customers continues to slow down customer growth in the market. Data usage increased 155% YoY as the number of data users grew by 15% YoY

supported by expanding 3G coverage and rising smartphone penetration. Despite aggressive price competition, Banglalink's ARPU was stable YoY on the back of growing data usage.

The combination of Banglalink's strengthened network and attractive data offers enabled the company to maintain its superior customer experience and leading position in NPS during the quarter.

In 4Q15, the company's underlying EBITDA, excluding one-offs which were mainly related to restructuring costs for the performance transformation program and provisions, grew 24% YoY to BDT 5.7 billion driven by the revenue increase and Opex control initiatives. Underlying EBITDA margin reached 47.9%.

Capex was down 28.6% YoY to BDT 3.3 billion in 4Q15, while FY15 Capex to revenue ratio was at 22%.

## UKRAINE

UAH mln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	3,472	3,095	12%	13,475	12,231	10%
Mobile service revenue	3,206	2,863	12%	12,475	11,190	11%
Fixed-line service revenue	257	225	14%	967	1,017	(5%)
EBITDA	1,706	1,311	30%	6,332	5,526	15%
EBITDA underlying	1,706	1,383	23%	6,332	5,598	13%
EBITDA margin	49.1%	42.3%	6.8p.p.	47.0%	45.2%	1.8p.p.
EBITDA underlying margin	49.1%	44.7%	4.5p.p.	47.0%	45.8%	1.2p.p.
Capex excl licenses	869	554	57%	3,566	1,652	116%
Capex excl licenses /revenue				26%	14%	
<b>Mobile</b>						
Total operating revenue	3,215	2,870	12%	12,508	11,212	12%
of which mobile data	449	256	75%	1,442	984	47%
Customers (mln)	25	26	(3%)			
of which data customers(mln)	12.0	11.1	8%			
ARPU (UAH)	41	36	14%			
MOU (min)	562	524	7%			
Data usage	200	106	87%			
<b>Fixed-line</b>						
Total operating revenue	257	225	14%	967	1,020	(5%)
Broadband revenue	143	111	29%	524	443	18%
Broadband customers (mln)	0.8	0.8	(0%)			
Broadband ARPU (UAH)	59	46	28%			

Kyivstar maintained its market leadership despite a challenging macro-economic environment and weakening local currency. During 4Q15, it continued to roll out its 3G network and offer the most extensive national coverage, reaching 500 cities, towns and settlements, equivalent to 35% of the population. The company also benefited from a strong growth trend in mobile data usage which continued during the quarter. The number of smartphone users on Kyivstar's network now reaches 6.6 million, bringing smartphone penetration to 26%. Finally, Kyivstar also maintained and strengthened its position as the market NPS leader.

Service revenue increased 12% YoY to UAH 3.5 billion in 4Q15. Mobile service revenue grew 12% YoY to UAH 3.2 billion as a result of increased international incoming revenue positively impacted by currency, strong growth of mobile data revenue, new commercial activities and value-added offerings. Mobile data revenue experienced strong growth of 75% YoY driven by the continued 3G roll-out, active promotions of smartphones and data-oriented tariff plans. Mobile ARPU increased 14% YoY to UAH 41.3.

Kyivstar's mobile customer base decreased 3% YoY to 25.4 million in 4Q15, mainly as a result of disconnections in parts of East Ukraine and lower overall gross adds. On an annual basis, churn improved by 1 percentage point YoY to 26%.

Fixed-line service revenue increased 14% YoY to UAH 257 million, supported by fixed residential broadband (FTTB) revenue, which continued to outgrow the market, increasing 29% YoY driven primarily by FTTB re-pricing. The fixed broadband customer base is stable YoY at 810 thousand, and fixed broadband ARPU increased 28% YoY to UAH 59.

EBITDA increased 30% YoY to UAH 1.7 billion in 4Q15 and EBITDA margin grew 6.8 percentage points YoY to 49.1%, driven by higher revenue and lower interconnect costs, which was partially offset by an increase in frequency fees due to the 3G license, higher utility and rental costs, and a negative currency devaluation effect. Underlying EBITDA adjusted for the exceptional item related to VAT, increased 23% YoY.

4Q15 Capex increased 57% YoY to UAH 869 million, mainly due to investments in the 3G network. The FY15 Capex to revenue ratio was 26%, with operating cash flow margin, defined as EBITDA less Capex, at 24% for 4Q15.

## KAZAKHSTAN

KZT mln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	32,694	34,966	(6.5%)	127,618	135,267	(6%)
Mobile service revenue	27,141	31,148	(13%)	110,039	120,513	(9%)
Fixed-line service revenue	4,586	3,769	22%	16,129	14,565	11%
EBITDA	13,714	14,061	(2%)	58,067	62,492	(7%)
Underlying EBITDA	13,927	16,459	(15%)	59,292	66,860	(11%)
EBITDA margin	41.9%	40.2%	1.7p.p.	45.5%	46.2%	(0.7p.p.)
Underlying EBITDA margin	42.6%	47.1%	(4.5p.p.)	46.5%	49.4%	(3.0p.p.)
Capex excl licenses	7,616	10,057	(24%)	16,954	19,669	(14%)
Capex excl licenses /revenue				13%	15%	
<b>Mobile</b>						
Total revenue	28,093	31,183	(10%)	111,440	120,643	(8%)
-of which mobile data	5,490	5,603	(2%)	21,668	18,359	0.2
Mobile customers (mln)	9.5	9.8	(3%)			
- of which mobile data customers (mln)	5.0	5.4	(8%)			
Mobile ARPU (KZT)	907	1,041	(13%)			
MOU (min)	294	298	(2%)			
Data usage (MB)	822	369	123%			
<b>Fixed-line</b>						
Total revenue	4,601	3,783	22%	16,179	14,624	11%
Broadband revenues	1,943	1,844	5%	7,412	6,880	8%
Broadband customers (mln)	0.2	0.2	0%			
Broadband ARPU (KZT)	3,067	3,024	1%			

Beeline maintained its strong market position during the quarter and continued to gain EBITDA market share due to its attractive value proposition, network and distribution. Competition remains intense, however, although the company continues to maintain its commercially rational pricing strategy. Beeline expects the competitive environment to remain challenging throughout 2016.

Total service revenue decreased 9% YoY to KZT 31.7 billion, due to a 13% YoY decline in mobile service revenue, partially offset by a 22% YoY growth in fixed-line service revenue.

The decrease in mobile service revenue to KZT 27.1 billion was driven by increased competition and a 29% YoY reduction in MTR to KZT 8.0 from KZT 11.2. Excluding the MTR reduction, mobile service revenue would have decreased by 6% YoY. Mobile data revenue decreased 2% YoY due to price declines relating to the increased competition and decreased data revenue from large screens.

ARPU decreased 13% YoY to KZT 907, mainly due to the MTR reduction and declining voice revenue,

reflecting the competitive market particularly in bundled tariff plans.

Mobile customers declined 3% YoY to 9.5 million as customers move more to single SIM as a result of increased bundle penetration, while annualized churn increased 5 percentage points to 61% driven by increased churn of external migrants after the devaluation of the Kazakh tenge.

The growth in fixed-line service revenue was due to 18% YoY growth in B2O Internet revenue as a result of new clients in 2015 and 50% YoY growth in traffic network revenue mainly driven by KZT devaluation.

Adjusted for the one-off in 4Q14 EBITDA related to an adjustment of technical maintenance of software from Capex to Opex, underlying EBITDA decreased by 15% YoY to KZT 14.0 billion and underlying EBITDA margin declined 4.5 percentage points to 42.6%, as a result of the decline in revenue, increase in service costs due to off-net traffic growth and the negative impact on costs as a result of the devaluation of the Kazakh tenge.

Capex was KZT 7.6 billion in 4Q15, and FY15 Capex to revenue stood at 13%.

## UZBEKISTAN

Mobile service revenue increased 12% YoY to UZS 496 billion as a result of good growth in mobile data and VAS revenue as well as an indexation impact due to Beeline's price plans being denominated in USD. Mobile data revenue increased 6% YoY driven by 30% YoY growth in mobile data ARPU but was partially offset by a decrease in mobile data customers. Overall mobile ARPU increased 18% YoY as a result of commercial activities, indexation to the US dollar and mobile data revenue growth. The customer base decreased 6% YoY to 9.9 million due to the launch of two new mobile operators in the market in 2015, with churn increasing 9 percentage points to 57%. EBITDA increased 19% YoY to UZS 328 billion, with an EBITDA margin increase of 4.3 percentage points YoY to 65.9%. Going forward, Beeline expects the competition to increase while new government tax measures will negatively impact EBITDA in 2016. The Company aims to maintain its leading market position in Uzbekistan by focusing on customer retention and high value customers.

## KYRGYZSTAN

Results were strong in Kyrgyzstan as mobile service revenue increased 7% YoY to KGS 2.7 billion, mainly driven by increasing interconnect revenue as a result of increased traffic and currency fluctuations. This growth was supported by strong growth in mobile data revenue of 19% YoY, with mobile data ARPU increasing 7% YoY. However, revenue growth was partially offset by declining voice revenue as a result of the intense competition and weakening macroeconomic conditions. The customer base decreased 1% YoY to 2.7 million due to the competitive environment and an increase in migration to Russia after Kyrgyzstan entered the Eurasian Customs Union (EACU) on August 6, 2015. However, the company remains the co-leader in NPS due to its high quality network and attractive pricing. EBITDA increased by 15% and EBITDA margin increased by 4 percentage points YoY to 55.6%, driven by the increase in revenue and ongoing network cost optimization efforts.

## ARMENIA

The company has been able to strengthen its market position despite a challenging macro-economic situation. Service revenue decreased 10% YoY, due to declining mobile and fixed-line service revenue. Mobile service revenue decreased 8% YoY to AMD 5.7 billion, mainly due

to declining voice revenue as a result of the weak macro-economic environment. However, mobile data revenue grew 16% YoY driven by the mobile customer base increasing 5% YoY due to the attractive value proposition and promotion of data bundles. Churn improved 1 percentage point YoY to an annualized rate of 40%. Fixed-line service revenue decreased 12% YoY to AMD 6.5 billion, mainly due to a decline in voice revenue and the reduction in the fixed-line customer base. Underlying EBITDA decreased 30% YoY to AMD 3.2 billion, while EBITDA margin increased by 7 percentage points to 25.1%.

## TAJIKISTAN

The environment in Tajikistan remains challenging with increasing competition and currency headwinds. Mobile service revenue decreased 17% YoY to USD 28 million, mainly due to lower incoming international traffic as a result of fewer migrants living abroad due to the economic slowdown in the region and a weakening local currency. Mobile data revenue decreased in the quarter due to bans on popular websites and social networks and a weakening currency. Although the customer base decreased 10% to 1.2 million in a declining market, the company outperformed the market and continued to improve its network quality through investment in new power supply systems. EBITDA grew 36% YoY and EBITDA margin increased 24 percentage points YoY to 62.7%, due to lower international and local interconnect costs.

## GEORGIA

The company's total service revenue decreased by 24% YoY, as a result of a decrease in mobile service revenue, which declined 23% YoY to GEL 27 million. The decrease in mobile service revenue is attributed to declining voice revenue as a result of increased competition and the cancellation of asymmetrical MTRs. The company grew its mobile customer base 5% YoY due to an attractive value proposition and improving churn. NPS also continues to improve. Mobile data revenue grew 50% YoY, driven by the strong growth in mobile data customers as a result of 4G/LTE launch in February 2015 and a 40% increase in mobile data ARPU. The company now covers 50% of the population with 4G/LTE. EBITDA decreased 45% YoY and EBITDA margin decreased 6.4 percentage points to 15%, mainly due to the decline in voice revenue although this was partially offset by cost efficiencies.

## ITALY (RECLASSIFIED AS AN ASSET HELD FOR SALE)

EUR mln	4Q15	4Q14	YoY	FY15	FY14	YoY
<b>Total revenue</b>	<b>1,178</b>	<b>1,123</b>	<b>5%</b>	<b>4,428</b>	<b>4,633</b>	<b>(4%)</b>
Mobile service revenue	736	746	(1%)	2,912	2,975	(2%)
Fixed-line service revenue	268	292	(8%)	1,096	1,192	(8%)
<b>EBITDA</b>	<b>441</b>	<b>418</b>	<b>5.3%</b>	<b>1,671</b>	<b>1,804</b>	<b>(7%)</b>
<b>EBITDA margin</b>	<b>37.4%</b>	<b>37.2%</b>	<b>0.2p.p.</b>	<b>37.7%</b>	<b>38.9%</b>	<b>(1.2p.p.)</b>
Capex excl licenses	251	261	(4%)	779	757	3%
Capex excl licenses /revenue				18%	16%	
<b>Mobile</b>						
Total revenue	880	820	7%	3,278	3,328	(1%)
Customers (mln)	21.1	21.6	(2%)			
- of which data (mln)	11.6	10.2	14%			
ARPU (EUR)	11	11	(0%)			
MOU (min)	274	274	0%			
Data usage (MB)	1,628	1,213	34%			
<b>Fixed-line</b>						
Total revenue	298	302	(1%)	1,150	1,305	(12%)
Total voice customers (mln)	2.8	2.8	(2%)			
ARPU (EUR)	28.0	28.7	(2%)			
Broadband customers (mln)	2.3	2.2	3%			
Broadband ARPU (EUR)	20.9	21.6	(3%)			
Dual-play customers (mln)	2.0	1.9	7%			

Total revenue in 4Q15 increased 5.0% YoY to EUR 1.2 billion, mainly driven by a sharp increase in handset sales, resulting from the growing success of WIND's 'Telefono Incluso' bundles, and lower other revenue in 4Q14 due to the effect of certain settlements fully accounted for in 3Q14 but commercially related to 4Q14. On an underlying basis, excluding the lower other revenue mentioned above, total revenue increased 1%. Service revenue declined 3.3% YoY with an improving trend versus previous quarters in mobile and worsening in fixed line mainly driven by seasonality.

In 4Q15 mobile service revenue decreased 1.4% YoY to EUR 736 million reflecting a further sequential improvement over the decline witnessed in previous quarters of 2015. Mobile data continued to grow at a double digit rate with a 10.0% YoY increase in revenue, reaching EUR 168 million, and a 14.3% increase in data users to 11.6 million, representing slightly more than half of WIND's total mobile customer base of 21.1 million in 4Q15.

Mobile ARPU in the quarter remained stable YoY at EUR 11.4 confirming the stabilization trend witnessed during 2015. Data ARPU increased 6.8% YoY, completely offsetting the decline in the voice component, and accounting for 42% of total ARPU.

In fixed-line, service revenue decreased 8.3% YoY to EUR 268 million mainly due to the double digit decline of voice volumes due to fixed to mobile substitution, the lower indirect customer base (-20% YoY in 4Q15) as a result of WIND's LLU focused strategy, and the growing preference by customers for fixed dual-play bundles offering unlimited DSL and pay per use voice for a lower monthly fee. The weak performance in voice was offset by a solid result in fixed broadband with revenue up 1.1% to EUR 141 million driven by the 4.0% YoY growth in the LLU segment. Broadband subscribers increased 3.1% YoY in 4Q15, with the dual-play component growing by a strong 7.0%.

WIND's EBITDA in 4Q15 increased 5.3% on a reported basis reaching EUR 441 million; the YoY increase was partially flattered by the effect of certain settlements fully accounted for in 3Q14 but commercially related to 4Q14. On an underlying basis, adjusting 4Q14 for the above settlements and adjusting 4Q15 for the impact of Galata and for restructuring costs related to the performance transformation program recorded in the quarter, EBITDA increased 0.9% YoY. EBITDA margin in 4Q15 was 37.4%.

In 4Q15, WIND invested EUR 251 million in the further roll-out of its the 4G/LTE network, now covering 56% of the population, as well as increasing the capacity and coverage of the existing HSPA+ network.

## CONFERENCE CALL INFORMATION

On February 17, 2016, the Company will host an analyst & investor conference call on its 4Q15 and full year 2015 results at 3:00 pm CET (2:00 pm GMT).

The call and slide presentation may be accessed at <http://www.vimpelcom.com>

### **3:00 pm CET investor and analyst conference call**

US call-in number: +1 (877) 280 1254

Confirmation Code: 6402487

International call-in number: +1 (718) 354 1152

Confirmation Code: 6402487

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The conference call replay and the slide presentations webcast will be available until March 5, 2016.

The slide presentation will also be available for download on the Company's website.

### **Investor and analyst call replay**

US Replay Number: +1 (866) 932 5017

Confirmation Code: 6402487

UK Replay Number: 0 800 358 7735

Confirmation Code: 6402487

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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, our prospective settlements with the SEC, DOJ and OM; the Company’s stated 2016 performance targets; future market developments and trends; expected synergies and timing of completion of the Italy joint venture and the Warid Telecom transaction; the expected completion of the Zimbabwe disposition; the expected benefits from the Company’s network sharing initiatives in Russia; the potential disposition of Telenor of its shares in the Company; operational and network development and network investment, including expectations regarding the roll out and benefits of 4G/LTE in Russia, anticipated timing of roll-out and benefits from 3G services in Algeria and Pakistan 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 failure by the pertinent authorities to approve our prospective settlements, 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 (including with respect to investigations by, and our prospective settlements with, the SEC, DOJ and OM), failure to satisfy or waive the conditions to completion of all or any of the Italy joint venture, the Warid Telecom transaction and the Zimbabwe disposition failure to obtain the requisite regulatory approvals or the receipt of approvals on terms not acceptable to the parties to these transactions, 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. 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, 2014 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 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”, “Kyivstar”, “WIND”, “Mobilink”, “banglalink”, “Telecel”, and “Djezzy” brands.

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For more information on financial and operating data for specific countries, please refer to the supplementary file [Factbook4Q2015.xls](#) on VimpelCom's website at <http://vimpelcom.com/ir/financials/results.wbp>

## ATTACHMENT A: VIMPELCOM LTD FINANCIAL SCHEDULES

### VIMPELCOM LTD UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

USD mln	4Q15	4Q14	FY15	FY14
<b>Total operating revenues</b>	<b>2,301</b>	<b>3,000</b>	<b>9,625</b>	<b>13,517</b>
of which other revenues	39	7	103	68
<b>Operating expenses</b>				
Service costs, equipment and accessories	551	743	2,187	3,214
Selling, general and administrative expenses	958	1,183	4,581	4,743
Depreciation	363	421	1,550	1,996
Amortization	129	131	517	647
Impairment loss	136	1,037	245	976
Loss on disposals of non-current assets	16	21	38	68
<b>Total operating expenses</b>	<b>2,153</b>	<b>3,537</b>	<b>9,119</b>	<b>11,644</b>
<b>Operating profit/ (loss)</b>	<b>148</b>	<b>(536)</b>	<b>506</b>	<b>1,873</b>
Finance costs	201	225	829	1,077
Finance income	(17)	(4)	(52)	(52)
Other non-operating losses/(gains)	12	(145)	43	(122)
Shares of loss/(profit) of associates and joint ventures accounted for using the equity method	(1)	(4)	(14)	38
Net foreign exchange (gain)/ loss	54	325	314	556
<b>Profit / (loss) before tax</b>	<b>(100)</b>	<b>(933)</b>	<b>(613)</b>	<b>375</b>
Income tax expense	90	34	238	599
Profit/ (loss) from continued operations	(190)	(967)	(851)	(223)
Profit/ (loss) from discontinued operations	252	(90)	263	(679)
<b>Profit/(loss) for the period</b>	<b>62</b>	<b>(1,057)</b>	<b>(589)</b>	<b>(903)</b>
Non-controlling interest	(41)	166	(103)	256
The owners of the parent	21	(890)	(691)	(647)

## ATTACHMENT A: VIMPELCOM LTD FINANCIAL SCHEDULES

### VIMPELCOM LTD UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD mln	31 December 2015	31 December 2014
<b>Assets</b>		
<b>Non-current assets</b>		
Property and equipment	6,239	11,849
Intangible assets	2,224	7,717
Goodwill	4,223	10,285
Investments in associates and joint ventures	201	265
Deferred tax asset	133	575
Income Tax advances, non-current	28	91
Financial assets	164	602
Other non-financial assets	105	26
<b>Total non-current assets</b>	<b>13,317</b>	<b>31,410</b>
<b>Current assets</b>		
Inventories	104	117
Trade and other receivables	677	1,886
Other non-financial assets	335	797
Current income tax asset	263	219
Other financial assets	395	266
Cash and cash equivalents	3,614	6,342
<b>Total current assets</b>	<b>5,387</b>	<b>9,627</b>
Assets classified as held for sale	15,137	5
<b>Total assets</b>	<b>33,841</b>	<b>41,042</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity attributable to equity owners of the parent	3,729	5,006
Non-controlling interests	129	(1,030)
<b>Total equity</b>	<b>3,858</b>	<b>3,976</b>
<b>Non-current liabilities</b>		
Debt	8,025	23,654
Other financial liabilities	70	282
Provisions	280	527
Other non-financial liabilities	95	401
Deferred tax liability	404	1,637
<b>Total non-current liabilities</b>	<b>8,874</b>	<b>26,501</b>
<b>Current liabilities</b>		
Trade and other payables	1,768	4,007
Dividends payable to the owners and NCI	0	0
Debt	1,519	2,789
Other financial liabilities	174	399
Other non-financial liabilities	1,040	1,930
Current income tax payable	24	72
Provisions	1,108	1,368
<b>Total current liabilities</b>	<b>5,633</b>	<b>10,565</b>
Liabilities associated with assets held for sale	15,477	-
<b>Total equity and liabilities</b>	<b>33,841</b>	<b>41,042</b>

## ATTACHMENT A: VIMPELCOM LTD FINANCIAL SCHEDULES

### VIMPELCOM LTD UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

USD mln	4Q15	4Q14	FY15	FY14
<b>Operating activities</b>				
Profit after tax	(190)	(967)	(851)	(223)
Income tax expenses	90	34	238	599
<b>Profit before tax</b>	<b>(100)</b>	<b>(933)</b>	<b>(613)</b>	<b>375</b>
Non-cash adjustment to reconcile profit before tax to net operating cash flows:				
Depreciation	363	421	1,550	1,996
Amortization	129	131	517	647
Impairment loss	136	1,037	245	976
Loss/(Gain) From disposal of non current assets	16	21	38	68
Finance income	(17)	(4)	(52)	(52)
Finance cost	201	225	829	1,077
Other non operating losses / (Gains)	11	(137)	42	(102)
Net foreign exchange loss / (gain)	54	325	314	556
Share of loss of associates and joint ventures	(1)	(4)	(14)	38
Movements in provisions and pensions	52	43	(167)	110
Changes in working capital	(114)	72	(155)	321
Net interest paid	(135)	(182)	(807)	(1,002)
Net interest received	15	10	49	47
Income tax paid	(126)	(108)	(671)	(442)
Changes due to discontinued operations from operating activity	422	482	929	666
<b>Net cash from operating activities</b>	<b>907</b>	<b>1,398</b>	<b>2,033</b>	<b>5,279</b>
Proceeds from sale of property and equipment	5	8	15	19
Proceeds from sale of intangible assets	2	0	3	2
Purchase of property, plant and equipment	(467)	(622)	(1,717)	(2,834)
Purchase of licenses	(51)	(24)	(224)	(423)
Purchase of other intangible assets	(98)	(62)	(266)	(244)
Outflow for loan granted	(0)	(1)	(102)	(23)
Inflow from loan granted	(1)	0	101	110
Inflows/(outflows) from financial assets	27	37	74	38
Inflows/(outflows) from deposits	(73)	16	(361)	290
Acquisition of a subsidiary, net of cash acquired	(18)	(0)	(17)	0
Proceeds from sales of share in subsidiaries, net of cash	(0)	68	(0)	69
Receipt of dividends	-	(0)	0	2
Discontinued operations in investing activity	(275)	(326)	(140)	(984)
<b>Net cash used in investing activities</b>	<b>(949)</b>	<b>(906)</b>	<b>(2,634)</b>	<b>(3,977)</b>
Net proceeds from exercise of share options	-	1	2	3
Acquisition of non-controlling interest	(4)	-	(4)	-
Gross proceeds from borrowings	737	891	2,058	5,916
Fees paid for the borrowings	(6)	(21)	(6)	(56)
Repayment of borrowings	(763)	(424)	(4,840)	(3,765)
Dividends paid to equity holders	(61)	(60)	(61)	(71)
Proceeds from sale of treasury stock	-	-	-	-
Dividends paid to non-controlling interests	(1)	(18)	(189)	(19)
Proceeds from sale of non-controlling interests	-	-	2,307	-
Discontinued operations in financing activity	(3)	(109)	(707)	(678)
<b>Net cash from/(used in) financing activities</b>	<b>(100)</b>	<b>259</b>	<b>(1,439)</b>	<b>1,329</b>
<b>Net increase in cash and cash equivalents</b>	<b>(142)</b>	<b>752</b>	<b>(2,040)</b>	<b>2,631</b>
Cash and cash equivalent at beginning of period	3,931	5,661	6,086	4,454
Net foreign exchange difference	(30)	(309)	(351)	(727)
Cash and cash equivalent reclassified as Held for Sale	(145)	(18)	(81)	(272)
Cash and cash equivalent at end of period	3,614	6,086	3,614	6,086

## ATTACHMENT B: DEBT OVERVIEW

AS AT DECEMBER 31, 2015

Type of debt	Interest rate	Debt currency	Outstanding debt (mln)	Outstanding debt (USD mln)	Maturity date
<b>VimpelCom Holdings B.V.</b>					
Notes	6.2546%	USD	349	349	01.03.2017
Notes	7.5043%	USD	1,280	1,280	01.03.2022
Notes	9.0000%	RUB	12,000	181	13.02.2018
Notes	5.2000%	USD	571	571	13.02.2019
Notes	5.9500%	USD	983	983	13.02.2023
<b>VimpelCom Amsterdam B.V.</b>					
Loan from AO Alfa Bank	1 month LIBOR plus 3.25%	USD	500	500	17.04.2017
Loan from AO Alfa Bank	1 month LIBOR plus 3.25%	USD	500	500	03.05.2017
Loan from China Development Bank Corporation	6 month LIBOR plus 3.3%	USD	457	457	21.12.2020
Loan from HSBC Bank plc	1.7200%	USD	222	222	31.07.2022
<b>PJSC VimpelCom</b>					
Loan from VIP Finance Ireland (funded by the issuance of loan participation notes by VIP Finance Ireland)	9.1250%	USD	499	499	30.04.2018
Loan from VIP Finance Ireland (funded by the issuance of loan participation notes by VIP Finance Ireland)	6.4930%	USD	264	264	02.02.2016
Loan from VIP Finance Ireland (funded by the issuance of loan participation notes by VIP Finance Ireland)	7.7480%	USD	651	651	02.02.2021
Loan from UBS (Luxembourg) S.A. (funded by the issuance of loan participation notes by UBS (Luxembourg) S.A.)	8.2500%	USD	266	266	23.05.2016
RUB denominated bonds	10.0000%	RUB	15,052	207	08.03.2022 *
RUB denominated bonds	11.9000%	RUB	25,000	343	03.10.2025 **
Loan from Sberbank	12.7500%	RUB	43,929	603	11.04.2018
Loan from Sberbank	12.7500%	RUB	16,667	229	29.05.2017
Loan from HSBC Bank plc, Nordea Bank AB (publ)	3 month MOSPRIME plus 1.0%	RUB	3,190	44	30.04.2019
<b>Pakistan Mobile Communications Limited ("PMCL")</b>					
Loan from Habib Bank Limited	6 months KIBOR + 1.15%	PKR	4,500	43	16.05.2019
Syndicated loan via MCB Bank Limited	3 months KIBOR + 1.25%	PKR	4,000	38	28.11.2017
Syndicated loan via MCB Bank Limited	6 months KIBOR + 1.25%	PKR	7,000	67	16.05.2019
Loan from United Bank Limited	6 months KIBOR + 1.10%	PKR	4,000	38	16.05.2021
Sukuk Certificates	3 months KIBOR + 0.88%	PKR	6,900	66	22.12.2019
Syndicated loan via Allied Bank Limited	6 months KIBOR + 1.00%	PKR	3,619	35	26.11.2018
<b>Banglalink Digital Communications Ltd. ("BDC")</b>					
Senior Notes	8.6250%	USD	300	300	06.05.2019
<b>Omnium Telecom Algeria SpA</b>					
Syndicated Loan Facility	Bank of Algeria Re-Discount Rate + 2.0%	DZD	50,000	467	30.09.2019
Other loans, equipment financing and capital lease obligations				401	

\* Subject to investor put option at March 17, 2017

\*\* Subject to investor put option at October 13, 2017

## ATTACHMENT C: COUNTRY DETAILS

### CUSTOMERS<sup>1</sup>

million	Mobile			Fixed-line broadband		
	4Q15	4Q14	YoY	4Q15	4Q14	YoY
<b>Russia</b>	<b>59.8</b>	<b>57.2</b>	<b>4%</b>	<b>2.2</b>	<b>2.3</b>	<b>(3%)</b>
Algeria	17.0	17.7	(4%)	-	-	-
Pakistan	36.2	38.5	(6%)	-	-	-
Bangladesh	32.3	30.8	5%	-	-	-
<b>Emerging markets</b>	<b>85.5</b>	<b>86.9</b>	<b>(2%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Ukraine	25.4	26.2	(3%)	0.8	0.8	(0%)
Kazakhstan	9.5	9.8	(3%)	0.2	0.2	0%
Uzbekistan	9.9	10.6	(6%)	0.01	0.01	44%
Armenia	0.8	0.8	9%	0.1	0.1	(1%)
Tajikistan	1.2	1.3	(10%)	-	-	-
Georgia	1.3	1.3	5%	-	-	-
Kyrgyzstan	2.7	2.7	(1%)	-	-	-
<b>Eurasia</b>	<b>50.9</b>	<b>52.7</b>	<b>(3%)</b>	<b>1.2</b>	<b>1.2</b>	<b>(0%)</b>
Laos	0.2	0.2	(31%)	-	-	-
<b>Total</b>	<b>196.3</b>	<b>197.1</b>	<b>(0%)</b>	<b>3.4</b>	<b>3.5</b>	<b>(2%)</b>
<b>Italy</b>	<b>21.1</b>	<b>21.6</b>	<b>(2%)</b>	<b>2.3</b>	<b>2.2</b>	<b>3%</b>

<sup>1</sup> The mobile customer numbers for 2014 have been adjusted to remove customers in operations that have been sold or held for sale and to reflect revised customer numbers in Algeria

### UZBEKISTAN

UZS bln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	497	445	12%	1,829	1,662	10%
Mobile service revenue	493	441	12%	1,811	1,643	10%
of which mobile data	91	85	7%	349	306	14%
Fixed-line service revenue	3	4	(12%)	13	16	(14%)
EBITDA	328	274	20%	1,124	1,066	5%
EBITDA margin	66%	62%	4.3p.p.	61%	64%	(2.7p.p.)
Capex excl licenses	53	67	(21%)	143	184	(22%)
Capex excl licenses LTM/revenue				8%	11%	
<b>Mobile</b>						
Customers (mln)	9.9	10.6	(6%)			
Of which mobile data customers	4.7	5.5	(15%)			
ARPU (UZS)	16,237	13,804	18%			
MOU (min)	480.4	527.8	(9%)			
Data usage (MB)	194.7	143.4	36%			

### ARMENIA

AMD mln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	12,845	13,859	(7%)	53,111	57,479	(8%)
Mobile service revenue	5,669	6,155	(8%)	23,659	24,642	(4%)
- of which mobile data	735	634	16%	2,764	2,389	16%
Fixed service revenue	6,490	7,407	(12%)	27,602	31,622	(13%)
EBITDA	3,223	2,478	30%	18,896	18,671	1%
EBITDA margin	25%	18%	7.2p.p.	36%	32%	3.1p.p.
Capex excl licenses	3,493	2,605	34%	7,830	6,110	28%
Capex excl licenses LTM/revenue				15%	11%	
<b>Mobile</b>						
Customers (mln)	0.8	0.8	9%			
-of which mobile data customers	0.4	0.4	5%			
ARPU (USD)	2,169	2,588	(16%)			
MOU (min)	350	371	(6%)			
Data usage(MB)	1,339	1,025	31%			

## TAJIKISTAN

USD mln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	28	33	(17%)	118	142	(17%)
Mobile service revenue	28	33	(17%)	118	142	(17%)
-of which mobile data	1	1	(35%)	3	4	(33%)
EBITDA	17	13	36%	75	62	20%
EBITDA margin	63%	38%	24.2p.p	63%	44%	19.5p.p
Capex excl licenses	10	11	(15%)	16	18	(11%)
Capex excl licenses LTM/revenue				13%	12%	
Mobile						
Customers (mln)	1.2	1.3	(10%)			
-of which mobile data customers	0.4	0.5	(13%)			
ARPU (USD)	8	9	(9%)			
MOU (min)	300	287	4%			
Data usage (MB)	169	68	147%			

## GEORGIA

GEL mln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	30	39	(22%)	130	140	(7%)
Mobile service revenue	27	35	(23%)	111	128	(13%)
-of which mobile data	2	1	50%	5	5	17%
Fixed-line service revenue	2	3	(28%)	16	8	102%
EBITDA	4	8	(45%)	23	35	(34%)
EBITDA margin	15%	21%	(6.4 p.p)	18%	25%	(7.3 p.p)
Capex excl licenses	23	14	63%	52	32	65%
Capex excl licenses LTM/revenue				40%	23%	
Mobile						
Customers (mln)	1.3	1.3	5%			
-data customers	0.5	0.4	5%			
ARPU (GEL)	6	8	(22%)			
MOU (min)	229	230	(1%)			
Data usage (MB)	167	62	167%			

## KYRGYZSTAN

KGZ mln	4Q15	4Q14	YoY	FY15	FY14	YoY
Total revenue	2,760	2,563	8%	10,569	9,547	11%
Mobile service revenue	2,722	2,549	7%	10,460	9,504	10%
-of which mobile data	323	271	19%	1,248	988	26%
EBITDA	1,534	1,333	15%	5,879	4,877	21%
EBITDA margin	56%	52%	3.5p.p	56%	51%	4.5p.p
Capex excl licenses	711	562	27%	1,440	1,438	0%
Capex excl licenses LTM/revenue				14%	15%	
Mobile						
Customers (mln)	2.7	2.7	(1%)			
- of which mobile data customers	1.6	1.6	(0%)			
ARPU (KGZ)	332	310	7%			
MOU (min)	281	285	(1%)			
Data usage (MB)	302	157	92%			

## ATTACHMENT D: RECONCILIATION TABLES

### RECONCILIATION OF CONSOLIDATED EBITDA OF VIMPELCOM

USD mln	4Q15	4Q14	FY15	FY14
<b>Unaudited</b>				
<b>EBITDA</b>	<b>793</b>	<b>1,074</b>	<b>2,857</b>	<b>5,560</b>
Depreciation	(363)	(421)	(1,550)	(1,996)
Amortization	(129)	(131)	(517)	(647)
Impairment loss	(136)	(1,037)	(245)	(976)
Loss on disposals of non-current assets	(16)	(21)	(38)	(68)
<b>EBIT</b>	<b>148</b>	<b>(536)</b>	<b>506</b>	<b>1,873</b>
Financial Income and Expenses	(184)	(114)	(777)	(1,025)
- including finance income	17	4	52	52
- including finance costs	(201)	(225)	(829)	(1,077)
Net foreign exchange (loss)/gain and others	(64)	(282)	(343)	(472)
- including Other non-operating (losses)/gains	(12)	145	(43)	122
- including Shares of loss of associates and joint ventures accounted for using the equity method	1	4	14	(38)
- including Net foreign exchange gain	(54)	(325)	(314)	(556)
<b>EBT</b>	<b>(100)</b>	<b>(933)</b>	<b>(613)</b>	<b>375</b>
Income tax expense	90	34	238	599
Profit/ (loss) from discontinued operations	252	(90)	263	(679)
Profit/(loss) for the year	62	(1,057)	(589)	(903)
Profit/(loss) for the year attributable to non-controlling interest	41	(166)	103	(256)
<b>Profit for the year attributable to the owners of the parent</b>	<b>21</b>	<b>(890)</b>	<b>(691)</b>	<b>(647)</b>

## RECONCILIATION OF CONSOLIDATED REPORTED AND UNDERLYING EBITDA OF VIMPELCOM

USD mln, unaudited	4Q15	4Q14	FY15	FY14
<b>EBITDA</b>	<b>793</b>	<b>1,074</b>	<b>2,857</b>	<b>5,560</b>
<b>Transformation costs, of which</b>	<b>112</b>		<b>156</b>	
severance (restructuring) costs	31		31	
other transformation costs at OpCo level	16		16	
other transformation costs at HQ level	65		109	
<b>Expenses related to Uzbekistan investigation, of which</b>	<b>11</b>		<b>927</b>	
provision			900	
legal costs	11		27	
<b>Other exceptional items in OpCos, of which</b>	<b>(18)</b>	<b>27</b>	<b>(14)</b>	<b>38</b>
Russia site rent capitalization	(30)		(30)	
Kazakhstan technical maintenance from CAPEX to OPEX		13		24
other	12	14	17	14
<b>Settlement related to the 51% sale in Algeria</b>		<b>50</b>		<b>50</b>
<b>Deconsolidation of the CAR and Burundi in October 2014</b>				<b>(23)</b>
<b>Total exceptional items</b>	<b>105</b>	<b>77</b>	<b>1,069</b>	<b>65</b>
<b>EBITDA underlying</b>	<b>897</b>	<b>1,151</b>	<b>3,926</b>	<b>5,625</b>

## RECONCILIATION OF VIMPELCOM CONSOLIDATED NET DEBT

USD mln	31 December 2015	30 September 2015	31 December 2014
Net debt	5,496	5,437	19,992
Cash and cash equivalents	3,614	3,930	6,342
Long - term and short-term deposits	434	375	109
Gross debt	9,544	9,742	26,443
Interest accrued related to financial liabilities	180	127	410
Fair value adjustment	-	-	29
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	60	58	(106)
Derivatives not designated as hedges	5	3	259
Derivatives designated as hedges	-	2	89
Total other financial liabilities	9,788	9,932	27,124

## RATES OF FUNCTIONAL CURRENCIES TO USD<sup>1</sup>

	Average rates			Average rates			Closing rates		
	4Q15	4Q14	YoY	FY15	FY14	YoY	4Q15	3Q15	QoQ
Russian Ruble	65.94	47.42	39.0%	60.96	38.42	58.7%	72.88	66.24	10.0%
Euro	0.91	0.80	14.1%	0.90	0.75	19.5%	0.92	0.89	2.9%
Algerian Dinar	106.81	85.11	25.5%	100.37	80.61	24.5%	107.10	106.21	0.8%
Pakistan Rupee	104.94	101.89	3.0%	102.75	101.03	1.7%	104.73	104.46	0.3%
Bangladeshi Taka	78.46	77.52	1.2%	77.96	77.55	0.5%	78.25	77.78	0.6%
Ukrainian Hryvnia	22.85	14.43	58.3%	21.83	11.91	83.3%	24.00	21.53	11.5%
Kazakh Tenge	300.44	181.39	65.6%	222.25	179.12	24.1%	339.47	270.40	25.5%
Uzbekistan Som	2,712.0	2,393.5	13.3%	2,568.7	2,311.5	11.1%	2,810.0	2,621.0	7.2%
Armenian Dram	478.50	430.64	11.1%	477.82	415.75	14.9%	483.75	473.71	2.1%
Kyrgyz Som	72.25	56.99	26.8%	64.48	53.66	20.2%	75.90	68.84	10.3%
Georgian Lari	2.40	1.81	32.8%	2.27	1.77	28.6%	2.39	2.38	0.6%

<sup>1)</sup> Functional currency in Tajikistan is USD

## ATTACHMENT E: WIND TELECOMUNICAZIONI GROUP CONDENSED STATEMENTS OF INCOME

EUR mln	FY15	FY14	YoY
Total Revenue	4,428	4,633	(4%)
EBITDA	1,671	1,804	(7%)
D&A	(726)	(1,231)	n.m.
EBIT	945	573	n.m.
Financial Income and expenses	(526)	(1,385)	n.m.
EBT	419	(812)	n.m.
Income Tax	9	103	n.m.
Net profit/(loss)	428	(709)	n.m.

## ATTACHMENT F: 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 IFRS financial measure, is presented above.

**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 IFRS financial measure, is presented above.

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

**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 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. Algeria, Pakistan and Bangladesh units measure MOU based on billed minutes.

**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 equivalent 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 IFRS financial measures, is presented above in the reconciliation tables section.

**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, net (primarily losses 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.

**Underlying growth Revenue and EBITDA** also excludes MTR reductions and one-offs. We believe investors should consider these measures as they are more indicative of our ongoing performance and management uses these measures to evaluate the Company's operational results and trends.

**Reportable segments:** the Company identified Russia, Italy, Algeria, Pakistan, Bangladesh, Ukraine and Eurasia 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.