

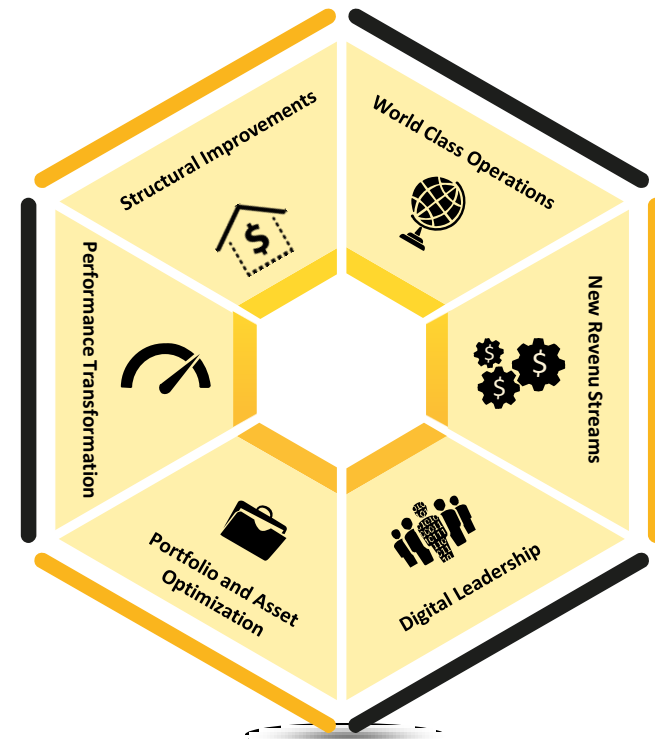
Pioneering towards the digital frontier

London, February 17, 2016



Agenda

- ▶ 2:00pm **Introduction:** Bart Morselt – Group Director & Head of IR
- ▶ 2:10pm **2015 key achievements :** Jean-Yves Charlier – Chief Executive Officer
- ▶ 2:20pm **Group FY2015 results:** Andrew Davies – Chief Financial Officer
- ▶ 3:00pm **The vision & World class operations:** Jean-Yves Charlier – Chief Executive Officer
- ▶ 3:20pm **New revenue streams & Digital leadership (customer interaction):**
Christopher Schlaeffer – Chief Digital Officer
- ▶ 3:50pm **Q&A (30') + Coffee and tea break (20')**
- ▶ 4:40pm **Digital leadership (digital enablement) & Portfolio and asset optimization:**
Yogesh Malik –Chief Technology Officer
- ▶ 5:10pm **Performance transformation:** Alexander Matuschka – Chief Performance Officer
- ▶ 5:40pm **Structural improvements:** Andrew Davies – Chief Financial Officer
- FY2016 outlook:** Andrew Davies – Chief Financial Officer
- ▶ 6:00pm **Q&A + Refreshments**



Disclaimer

These presentations contain “forward-looking statements”, as the phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Forward-looking statements are not historical facts, and include statements relating to, among other things, the Company’s anticipated performance and stated performance targets for future years; future market developments and trends; future operational and network development and network investment; and the Company’s strategic priorities, including with respect to, among other things, new revenue streams and digital leadership, and its planned performance transformation. The forward-looking statements included in these presentations are based on management’s best assessment of the Company’s strategic and financial position and of future market conditions, trends and other potential developments. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of: continued volatility in the economies in our markets; unforeseen developments from competition; governmental regulation of the telecommunications industries; general political uncertainties in our markets; and government investigations or other regulatory actions and/or litigation with third parties (including with respect to the investigations by, and our prospective settlements with, the U.S. Securities and Exchange Commission (the “SEC”), the U.S. Department of Justice, and the Dutch Public Prosecution Service (Openbaar Ministerie)). 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 these presentations, or to make corrections to reflect future events or developments.

Key achievements in 2015

Jean-Yves Charlier

Chief Executive Officer VimpelCom

London, February 17, 2016

VimpelCom has delivered on its 2015 targets despite a difficult backdrop of currency devaluations and economic challenges



2015 Key achievements



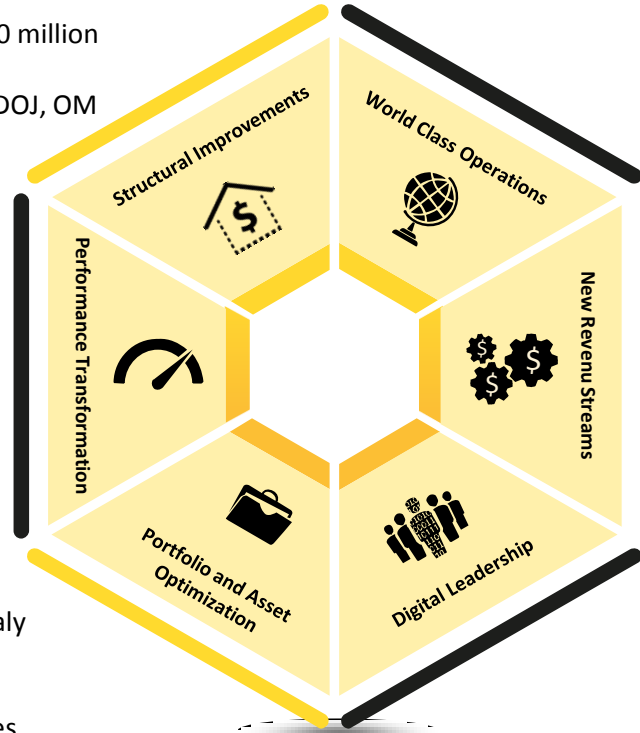
- ▶ Refinancing for USD 5 billion
- ▶ Reduction in interest costs by ~200 million
- ▶ Algeria transaction completed
- ▶ Prospective settlement with SEC, DOJ, OM



- ▶ Set-up of performance transformation team across the footprint
- ▶ Focus on simplification, digitalization and globalization of operations
- ▶ Reduction in 2015 Capex/Revenues ratio by ~3 p.p. to 18.2%



- ▶ Italian towers sale
- ▶ Joint Venture with Hutchison in Italy
- ▶ Merger with Warid in Pakistan
- ▶ Russian network sharing (MTS, Megafon) strategic initiatives
- ▶ Zimbabwe sale agreement



- ▶ Implementing a global operating model
- ▶ Strengthened the management team
- ▶ Focus on NPS with leadership position in 7 countries



- ▶ Data revenue growth 24% YoY in FY15
- ▶ Strong focus on developing the device portfolio and monobrand footprint
- ▶ Dedicated B2B division to focus on the enterprise segment
- ▶ Leverage the fixed broadband operations in 5 countries with 3.4 million customers



- ▶ Mobile financial services revenue more than doubled YoY in FY15
- ▶ London Digital division announced
- ▶ Investment in new customer engagement platform and new digital IT stack launched

~40% of USD 750 million cash flow improvement target already delivered in 2015

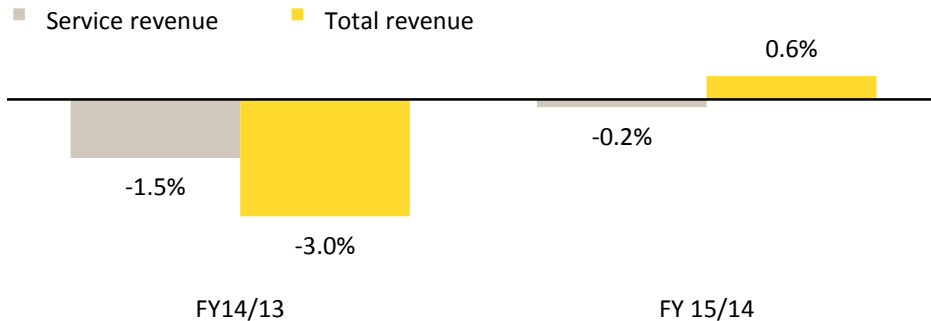
Currency devaluation and economic turmoil remain challenging in emerging markets

	2014	2015
Forex impact	-11%	-30%
Reported total revenue	-14% USD 13.4 billion	-29% USD 9.6 billion
Organic total revenue	-3%	+0.6%

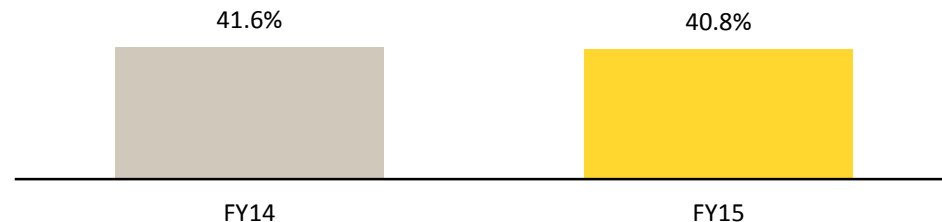
Against this backdrop, 2015 revenue stabilized, on an organic basis

Group results FY15 - overview

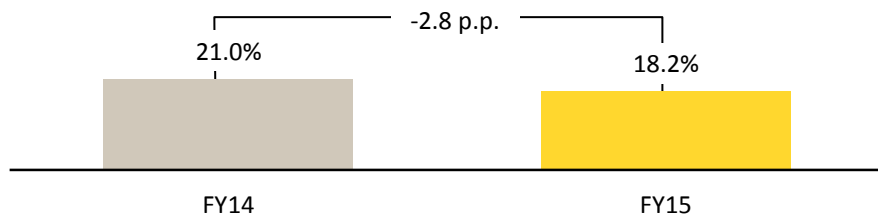
Service revenue and Total revenue YoY organic¹ development



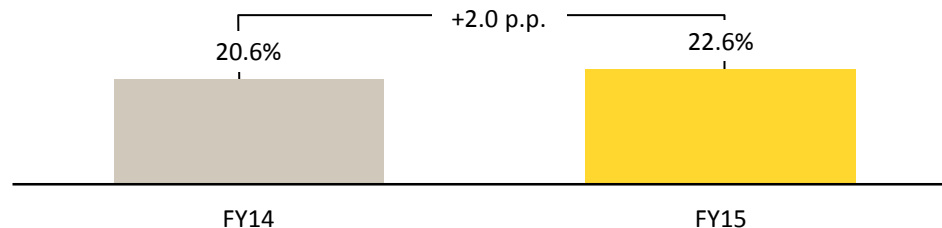
Underlying² EBITDA Margin development



Capex/revenue development



OCF Margin = (Underlying EBITDA² – CAPEX)/revenue



¹ Organic revenue change is non-GAAP financial measure that excludes the effect of foreign currency translation and certain items such as liquidations and disposals

² Underlying EBITDA margin excludes in 2014 nonrecurring items of USD 65 million, mainly related to the Algeria transaction (USD 50 million); in 2015, it excludes USD 1,069 million, which mainly consists of provisions for investigations (related to SEC/DOJ/OM) of USD 900 million and transformation costs of USD 156 million

2015 key targets delivered



	Targets 2015 ¹		Actual ¹
Service Revenue	Flat to low single digit decline YoY	✓	-0.2%
EBITDA Margin²	Flat to minus one p.p. YoY	✓	40.8% (from 41.6% in 2014)
CAPEX / Revenue	18-20%	✓	18.2%
Leverage (Net Debt / EBITDA)	~1.6x	✓	1.4x

¹ Key targets for 2015 assumed constant currency, no major regulatory changes, no change to the asset portfolio and no major macro-economic changes and no transformation costs; targets are also adjusted for Italy classified as asset held for sale

² EBITDA Margin at constant currency and stable fair value of derivatives, excluding exceptional charges such as impairment charges, restructuring charges, litigation and settlements, impact of M&A transactions and related accounting, other one-off charges, transformation costs

2015 Results

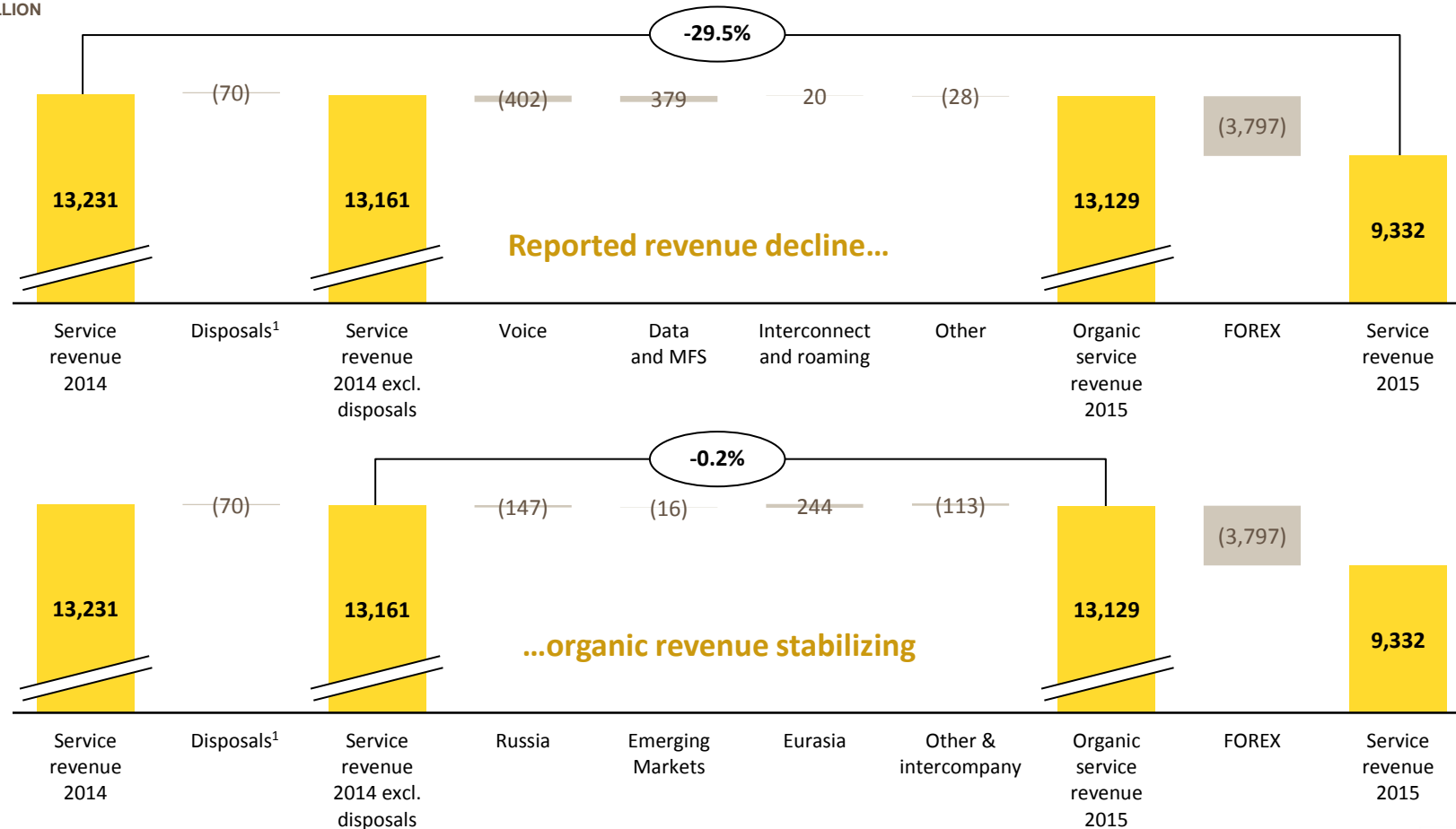
Andrew Davies

Chief Financial Officer

London, February 17, 2016

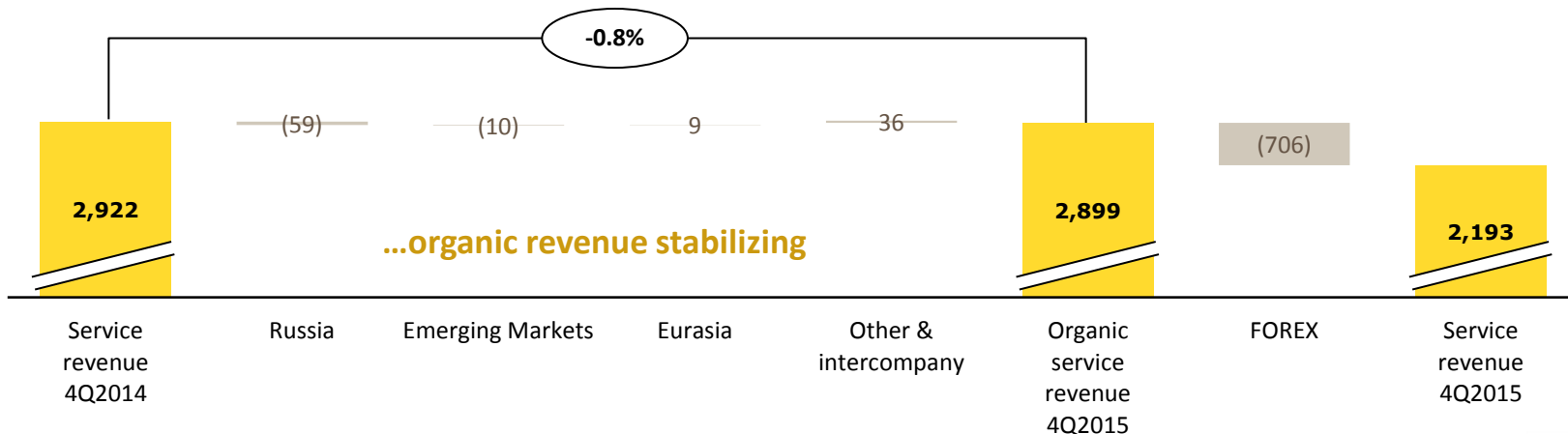
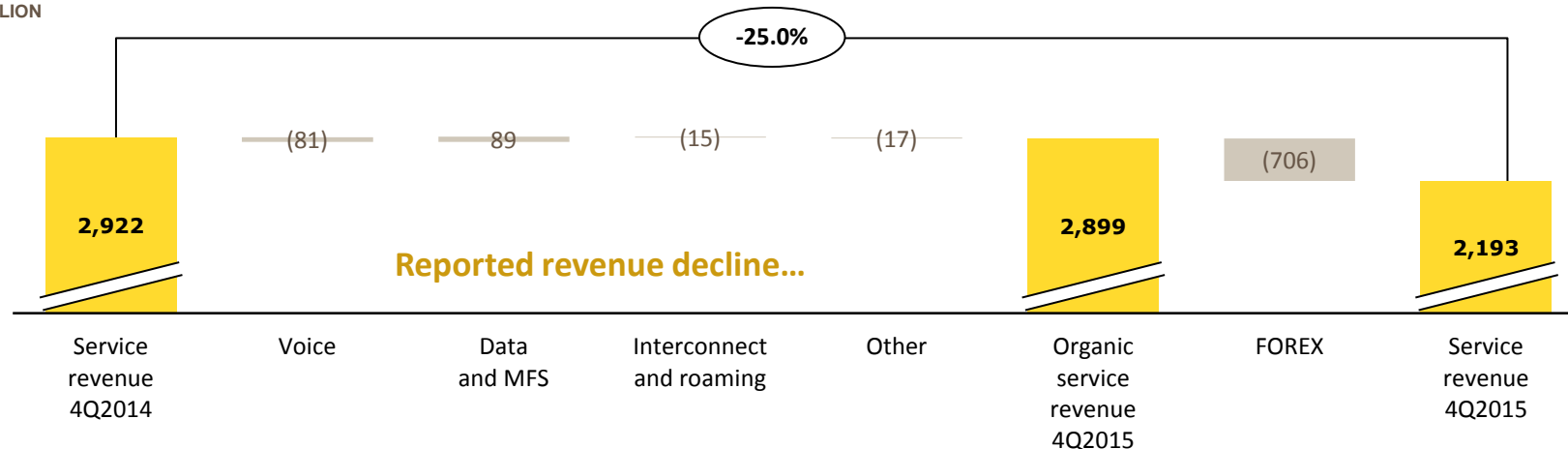
2015 group service revenue

USD MILLION

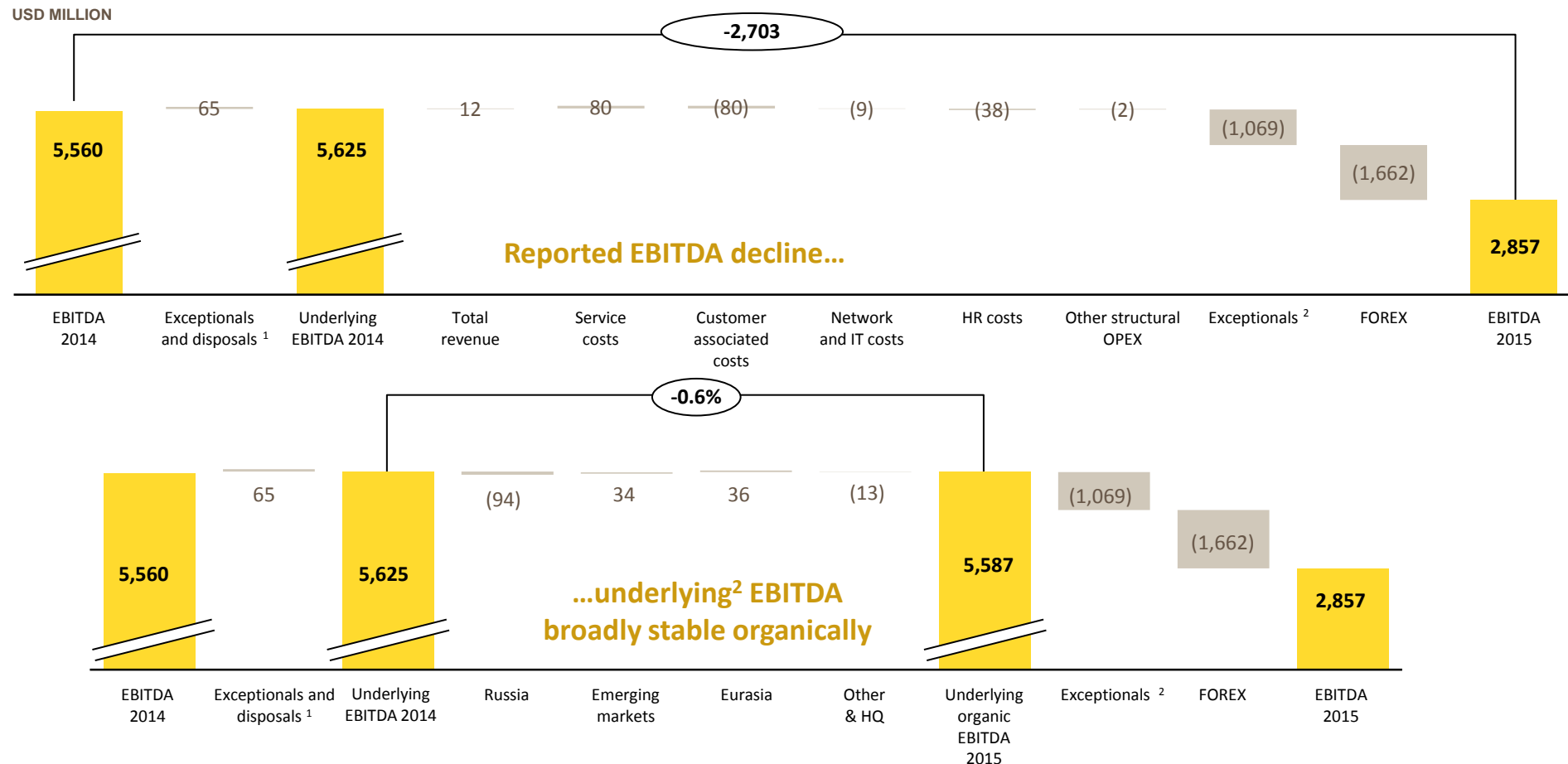


4Q15 group service revenue

USD MILLION



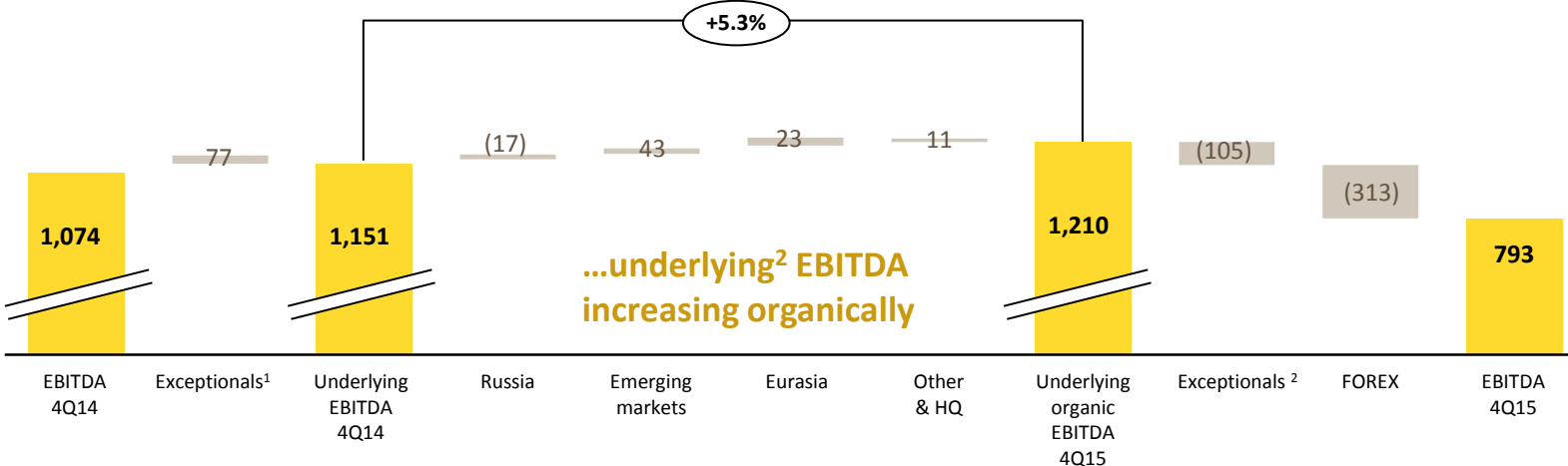
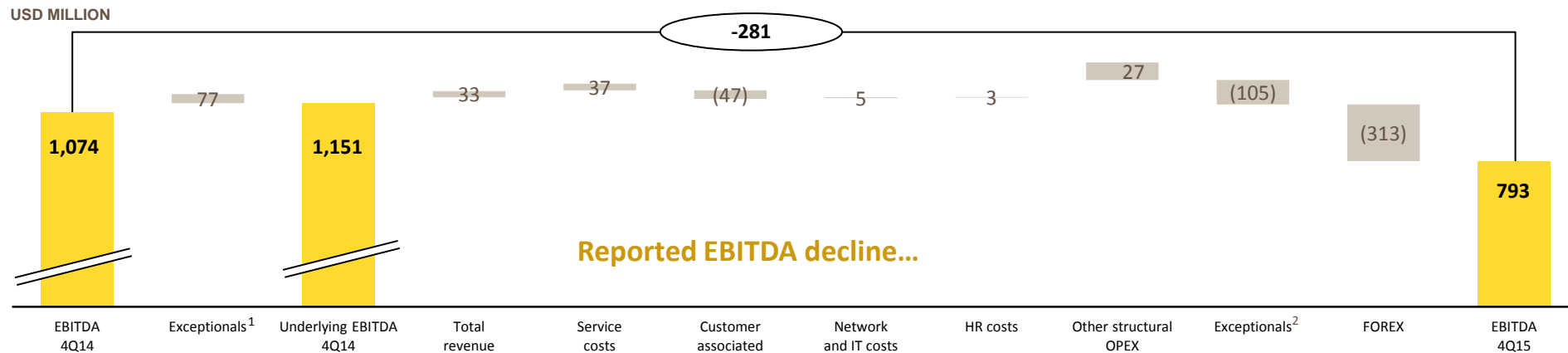
2015 group EBITDA



¹ Mainly related to Algeria transaction (USD 50 million)

² Excluding USD 1,069 million, which mainly consists of provisions for investigations (related to SEC/DOJ/OM) of USD 900 million and transformation costs of USD 156 million

4Q15 group EBITDA

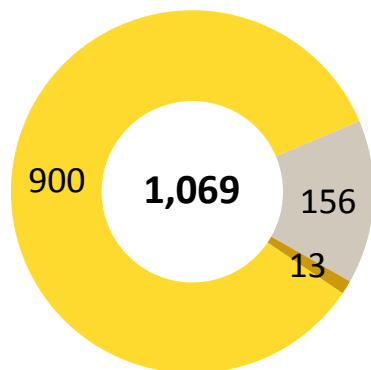


¹ Mainly related to Algeria transaction closing (USD 50 million) and other exceptional items in 4Q14

² Related to transformation costs of USD 112 million, legal costs on Uzbekistan investigation of USD 11 million and net of others net positive items for USD 18 million

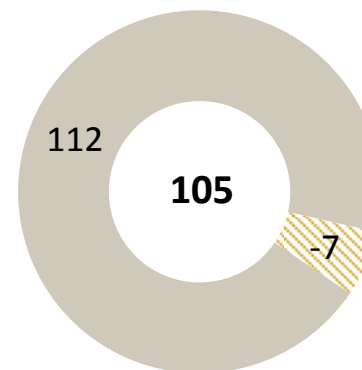
2015 EBITDA exceptional items

FY15 Exceptional items breakdown
(USD million)



■ Uzbekistan provision ■ Transformation costs ■ Other

4Q15 Exceptional items breakdown
(USD million)

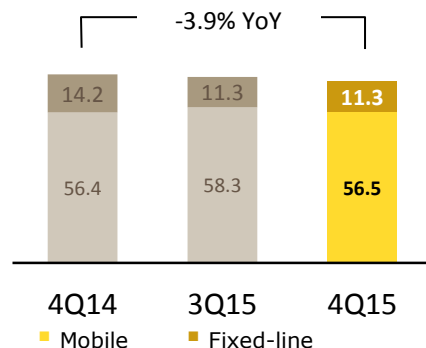


■ Transformation costs ■ Other

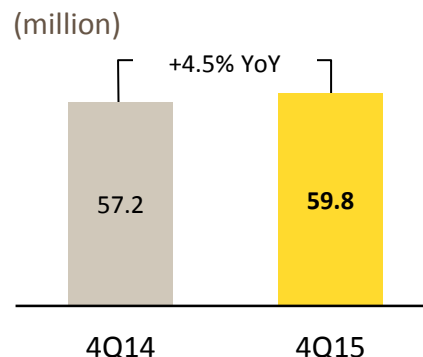
Russia: continued operational improvements

RUB BILLION, UNLESS STATED OTHERWISE

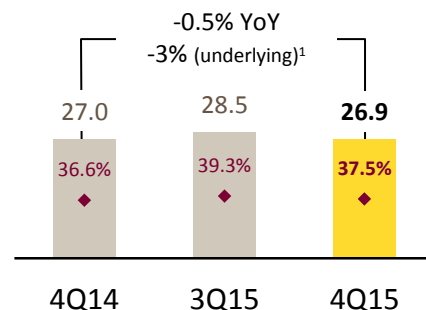
Service revenue



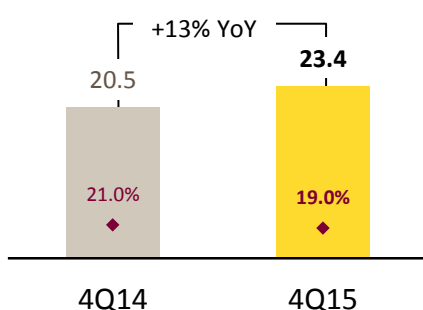
Mobile customers



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



- Improved quality of the customer base, NPS gap vs #1 (among big 3) further reduced
- Customer base grew YoY for fifth consecutive quarter
- Churn decreased 12 pp YoY to 51%
- Total service revenue decreased 4% YoY
- Slight increase in mobile service revenue YoY, while fixed-line service revenue declined 21% YoY, mainly due to B2B voice
- Good growth in mobile data revenue, up 16% YoY
- Underlying EBITDA stable YoY, excluding the negative effect of the weakening ruble

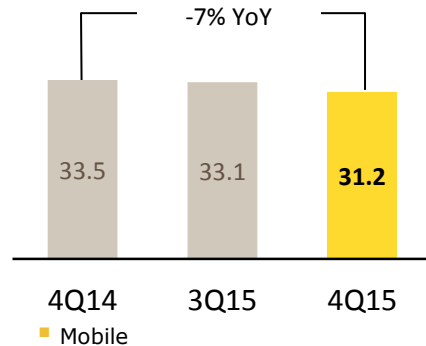


¹ 4Q15 EBITDA positively impacted by a one-off of RUB 2.2 billion related to site rental capitalization but partially offset by a provision of RUB 1.3 billion related to transformation costs

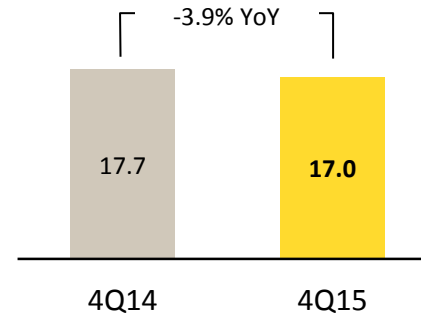
Algeria: transformation program ongoing

DZD BILLION, UNLESS STATED OTHERWISE

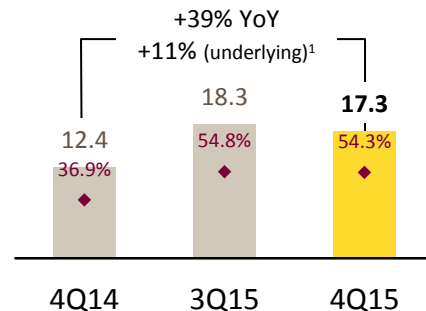
Service revenue



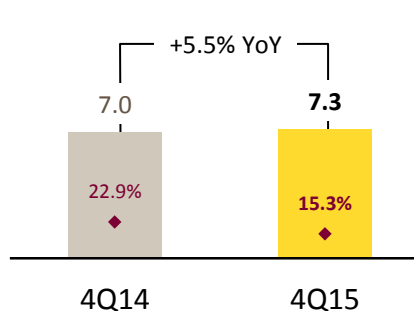
Mobile customers (million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



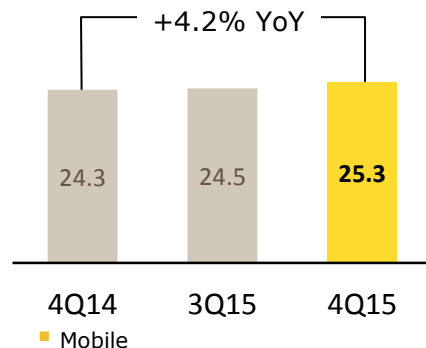
- Transformation program ongoing, however market remains challenging with aggressive price competition
- Service revenue declined YoY due to high-value customer churn and ARPU erosion
- Remained strong leader in NPS
- Data revenue doubled YoY
- EBITDA Margin robust at 54.3% due to
 - ▶ Favorable change in interconnect rates
 - ▶ Impact of performance transformation program
- CAPEX increased due to further expansion of 3G to new regions



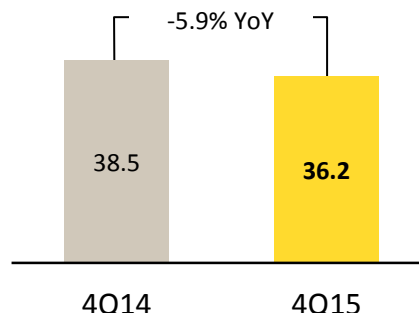
Pakistan: continued revenue and EBITDA growth

PKR BILLION, UNLESS STATED OTHERWISE

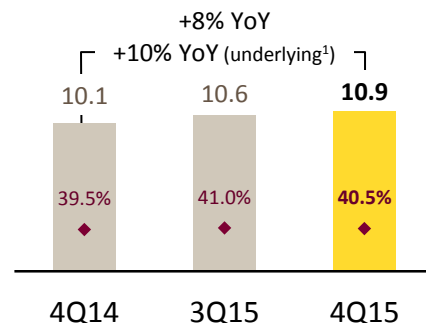
Service revenue



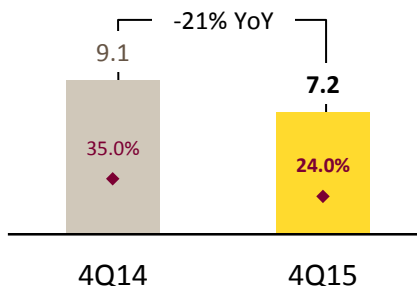
Mobile customers (million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



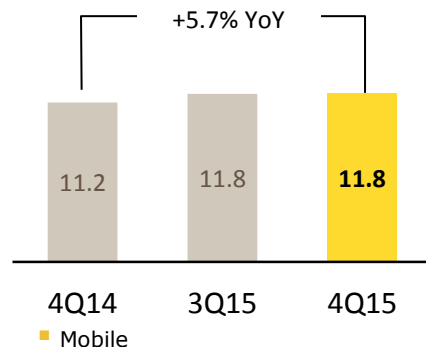
- Mobile customers declined due to market SIM verification process (underlying customer base +3% YoY)
- Successful launch of co-branded handsets and smartphones
- Strong data revenue increase of 79% YoY and MFS revenue increase of 72% - MFS now 3% of service revenue
- EBITDA margin >40% for three consecutive quarters
- CAPEX decreased due to the completion of 2G modernization program at the end of 2014, with a substantial improvement in network and service quality



Bangladesh: continued strong performance

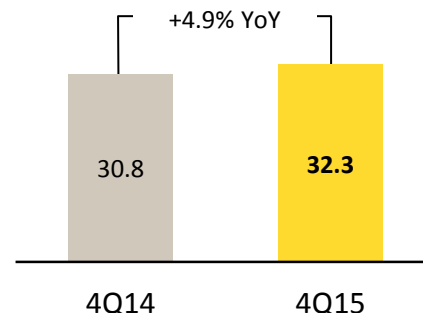
BDT BILLION, UNLESS STATED OTHERWISE

Service revenue

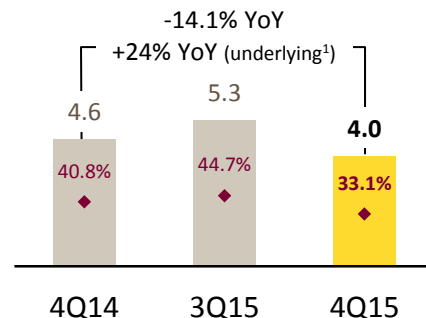


Mobile customers

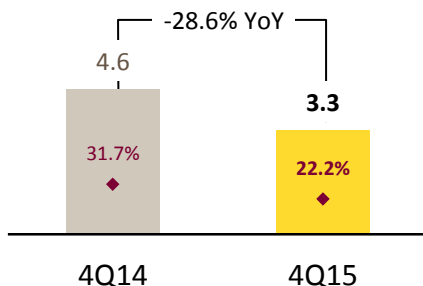
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



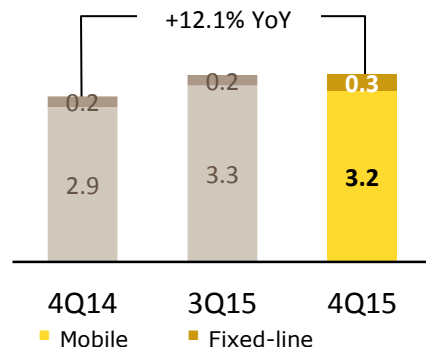
- Customer growth 5% YoY driven by attractive simple tariff offering
- Strong lead in NPS due to strengthened network and attractive data offers
- Ongoing strong growth in data revenue at 65% YoY
- Robust underlying EBITDA Margin at 48%, excluding performance transformation costs and movements in provisions



Ukraine: robust results supported by successful 3G launch

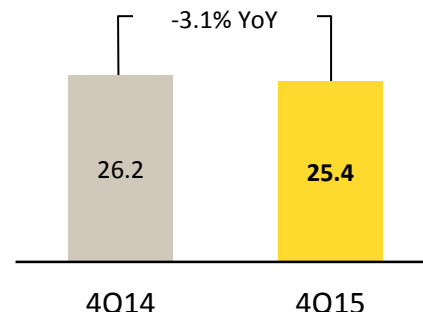
UAH BILLION, UNLESS STATED OTHERWISE

Service revenue



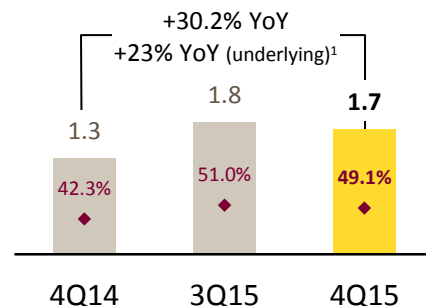
Mobile customers

(million)

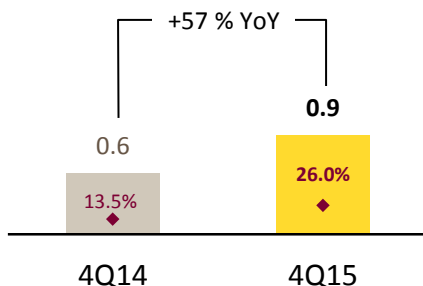


- Market leadership continues to strengthen, despite challenging macro-economic environment
- Successful 3G launch with most extensive national coverage
- Mobile data revenue growth of 75% YoY
- Solid mobile service revenue growth driven by higher interconnect revenue and 3G launch

EBITDA and EBITDA margin



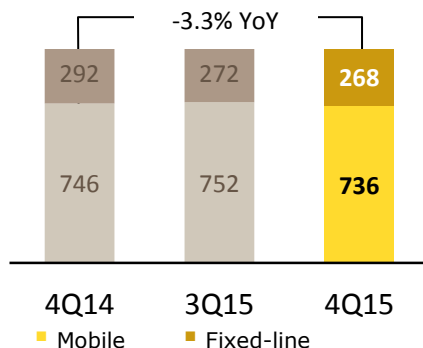
CAPEX excl. licenses and LTM CAPEX/revenue



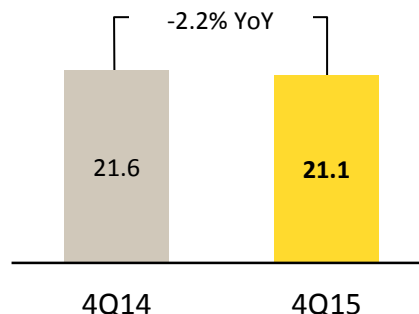
Italy: ongoing sequential improvement

EUR MILLION, UNLESS STATED OTHERWISE

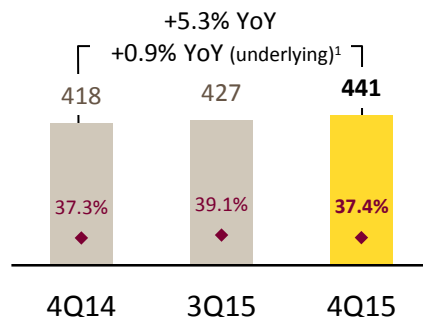
Service revenue



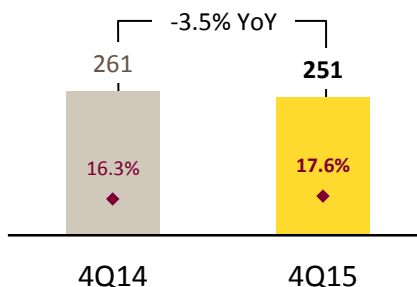
Mobile customers (million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



- Further YoY improvement in mobile service revenue trend
- Mobile ARPU stable, confirming the trend seen throughout 2015
- Double digit mobile data revenue with data customers growing 14% YoY
- Fixed broadband customer base grew +3% YoY with dual play customer up 7% YoY
- 4G/LTE population coverage now at 56%
- EC competition authority formally notified on February 5, 2016



¹ 4Q15 EBITDA negative impact by approximately EUR 12 million related to tower transaction and restructuring costs of approximately EUR 19 million
4Q14 EBITDA negative impact of approximately EUR 50 million related to settlements accounted in 3Q14 but commercially related to 4Q14

2015 income statement

USD million	FY15	FY14	YoY	Organic YoY
Revenue	9,625	13,517	(29%)	+0.6%
Service Revenue	9,332	13,231	(29%)	(0.2%)
EBITDA underlying	3,926	5,625	(30%)	(0.6%)
EBITDA reported	2,857	5,560	(49%)	(18.3%)
D&A, impairments and other	(2,350)	(3,687)	(36%)	
- o/w impairments	(245)	(976)	n.m.	
EBIT	506	1,873	(73%)	
Net financial expenses	(777)	(1,025)	(24%)	
FOREX and Other	(343)	(472)	(27%)	
Profit/(loss) before tax	(613)	375	n.m.	
Tax	(238)	(599)	(60%)	
Loss for the period	(851)	(223)	n.m.	
Profit / (loss) from discontinued operations	263	(679)	n.m.	
Non-controlling interest	(103)	256	n.m.	
Net loss	(691)	(647)		

- Due to local currencies depreciation of USD 1,662 million and exceptional items of USD 1,069 million in 2015 and USD 65 million in 2014

- Lower impairment charges in 2015 and accelerated depreciation in Pakistan due to network equipment swap

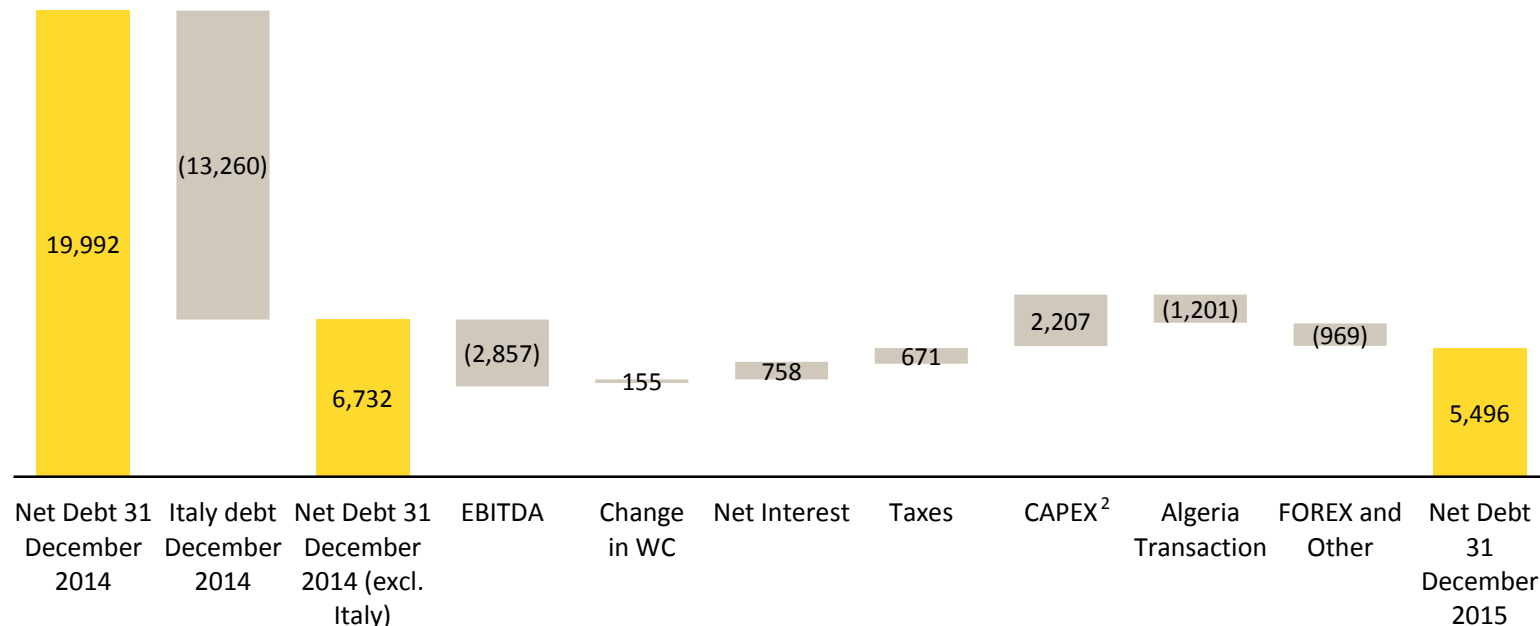
- Significantly lower financial expenses as a result of successful refinancing activities in 2014 and 2015

- Due to a decrease in provision for future withholding taxes on intercompany dividends

- Improving YoY, mainly due to significantly lower financial expenses as a result of the refinancing of WIND Italy and gain from tower transaction

- Sale of 51% in OTA in Algeria

FY15 net debt evolution



**Net Debt
EBITDA¹**

2.5x

1.2x

1.4x

¹ In 2014 (excluding Italy) EBITDA was adjusted to exclude USD 65 million of exceptional items and disposals, o/w USD 50 million related to Algeria transaction; in 2015, exceptional items totaled USD 1,069 million and mainly consisted of provisions for investigations (related to SEC/DOJ/OM) of USD 900 million and transformation costs of USD 156 million

² Capex including licenses

Vision & World class operations

Jean-Yves Charlier

Chief Executive Officer VimpelCom

London, February 17, 2016



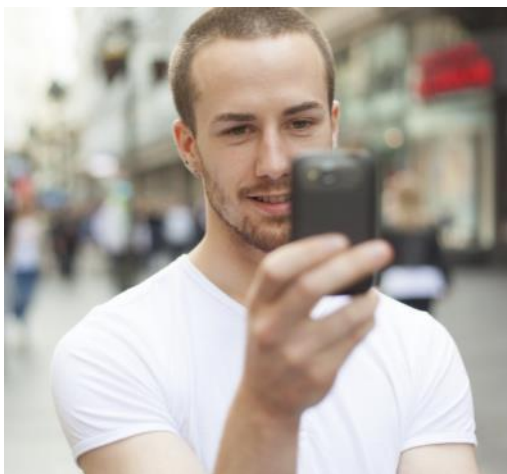


To be a pioneer, working at the frontier to unlock new opportunities for customers as they navigate the digital world

World class operations



Creating a superior customer experience



A

Next generation operating model



B

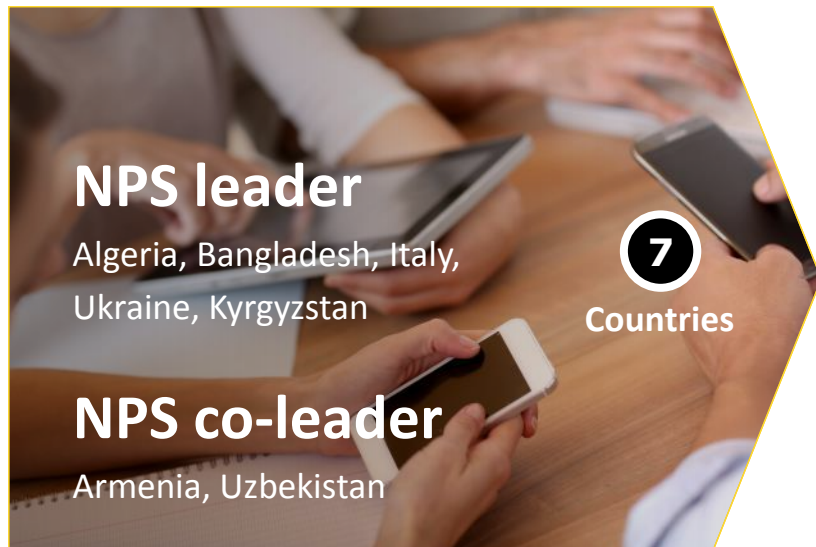
Strengthened management team



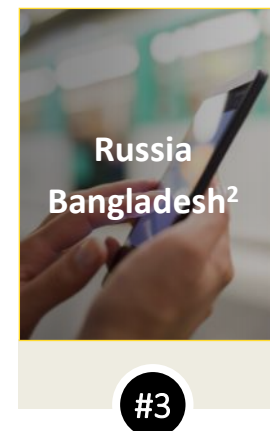
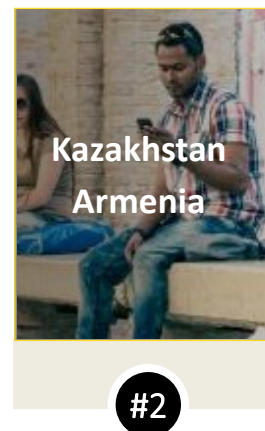
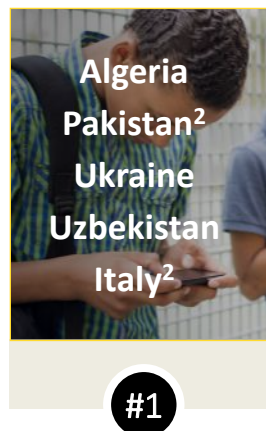
C



A Strong Net Promoter Score and market positions



2015 Mobile customers market position (share)¹



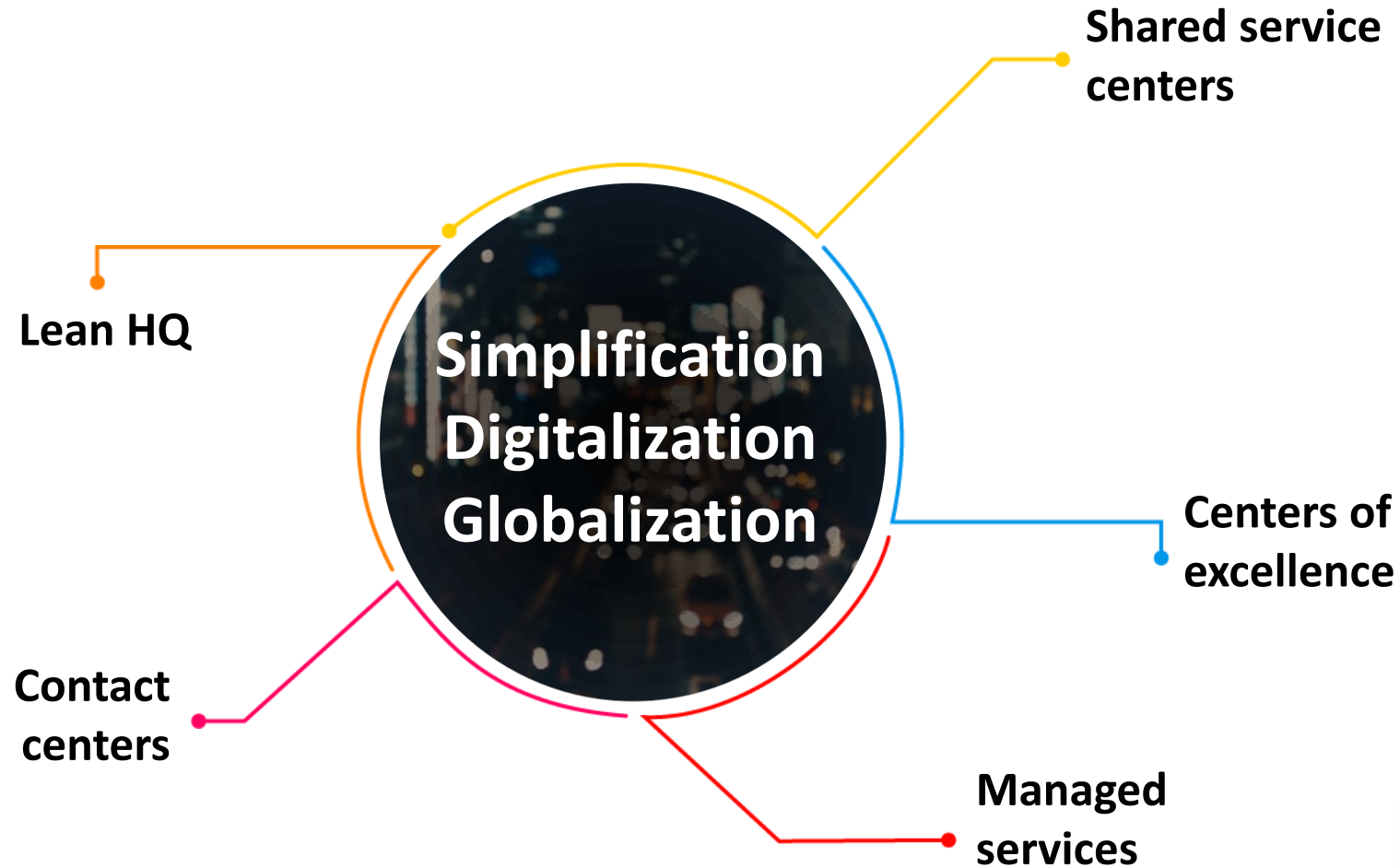
Developing a #1 or a strong #2 market share position,
leveraging on customer experience

¹ Company estimates based on public information; data as of September 2015, only Bangladesh as per December 2015

² Market share positions assume Italian and Pakistan transactions closing; Bangladesh assumes the closing of Robi-Airtel transaction

Note: Georgia, Kyrgyzstan and Tajikistan excluded as no reliable competitive data available

B Next-generation operating model



c Strengthened management team

Group Executive Committee



Enrique Aznar
Chief Compliance Officer

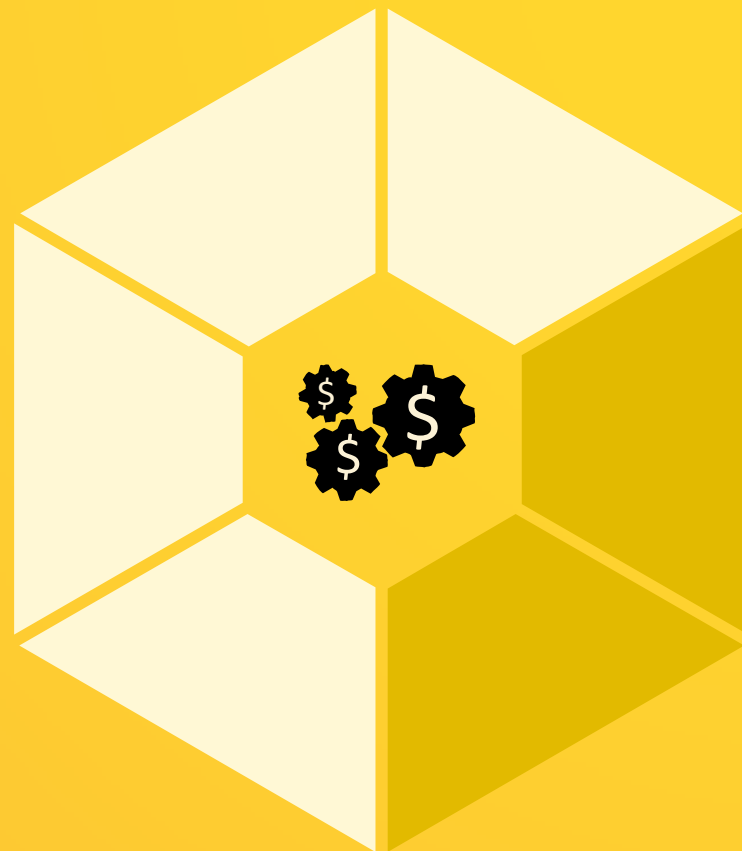
Dr. Stephen Collins
Chief Corporate and Regulatory Affairs Officer

New revenue streams and digital leadership

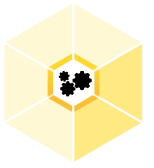
Christopher Schlaeffer

Chief Digital Officer

London, February 17, 2016



New revenues streams and digital leadership – three core elements



Revenue acceleration

Top line turnaround and service revenue market share growth



Digital engagement model

Creating a digital pure play engagement model

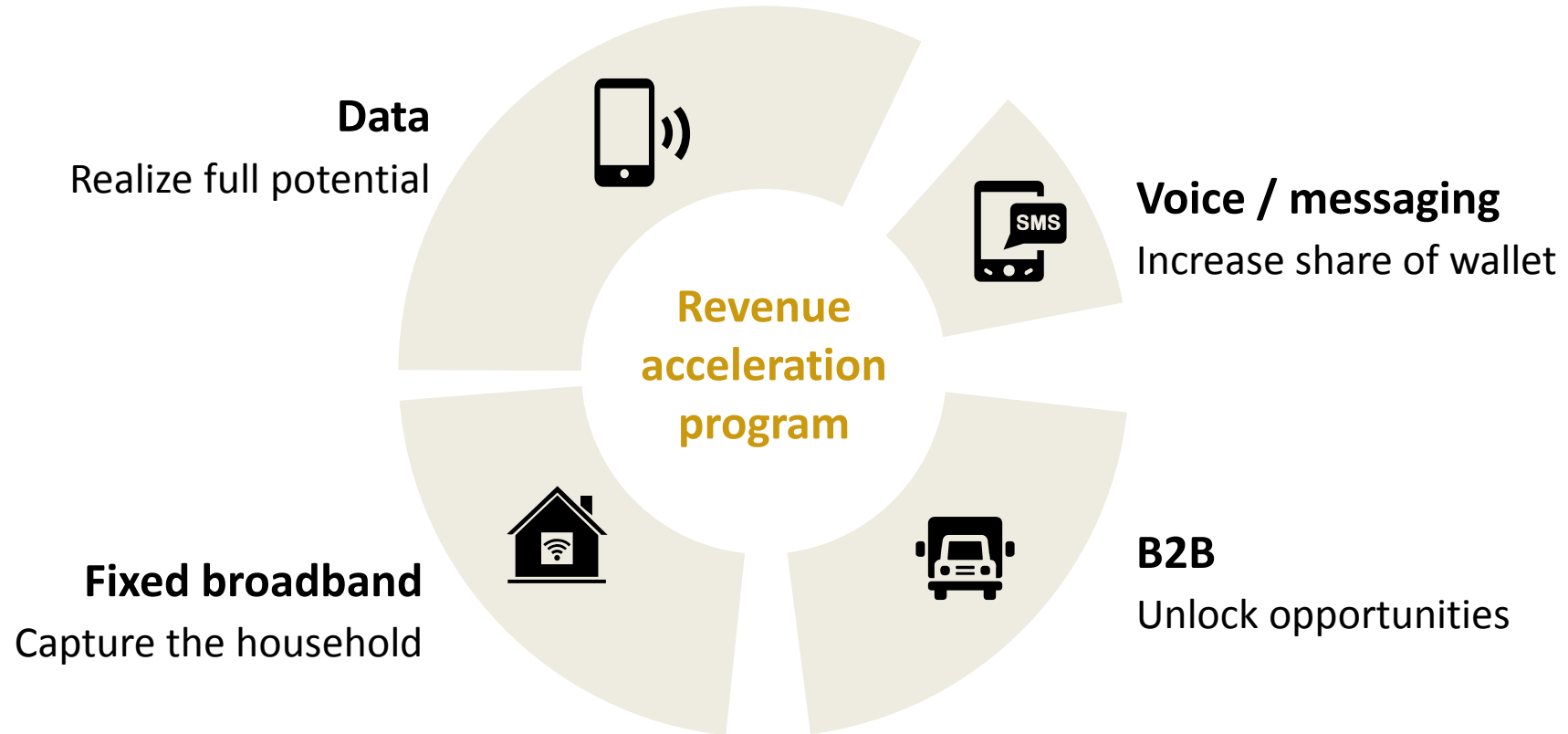


Digital products and services

Introducing new digital products and services



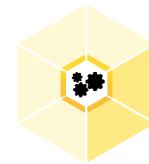
Revenue acceleration program to focus on four core areas



Leading in customer experience



Voice/messaging – increase share of wallet



Grow revenue market share through increasing share of wallet

More granular and dynamic customer segmentation for dynamic relevance



Customer segmentation

Upgrade pricing and tariff portfolio to increase share of usage and improve quality of customer base



Smart pricing and portfolio simplification

Use of machine learning to derive insights and drive value (upsell, churn reduction)



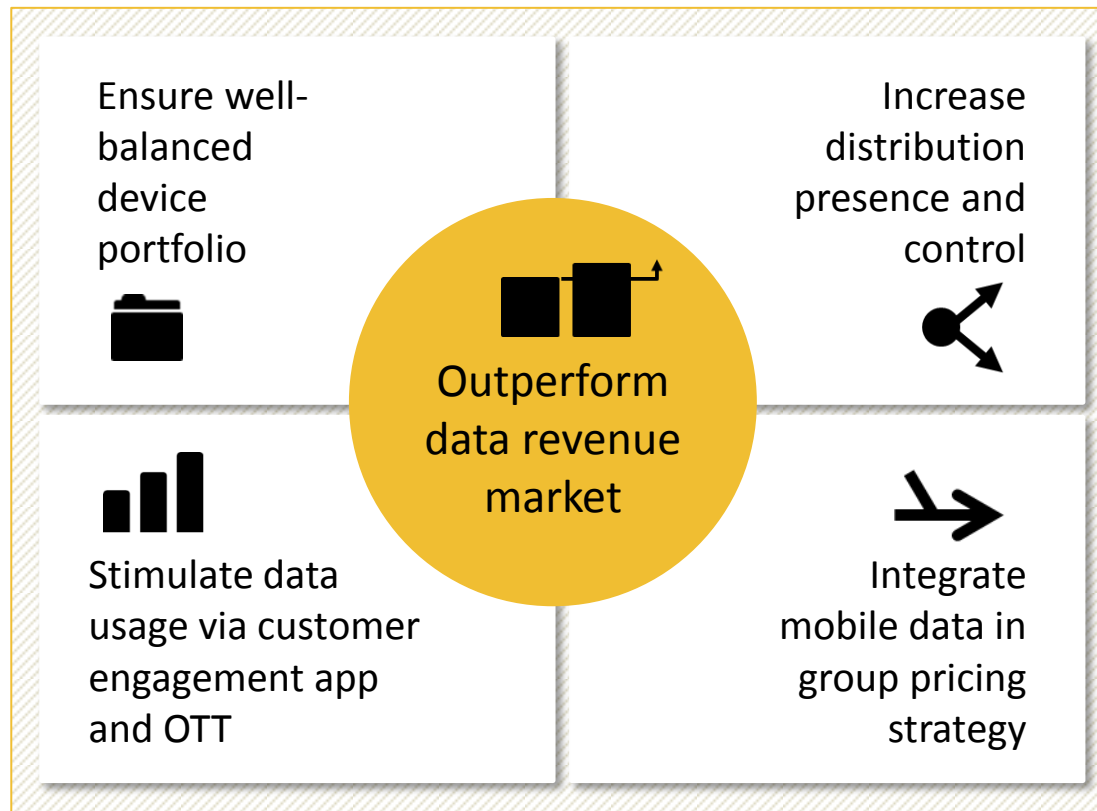
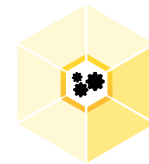
Customer base management



Advanced Analytics

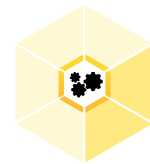


Data – realize full potential





Fixed broadband – capture the household



Progressively expand our fixed value proposition targeting households

2P



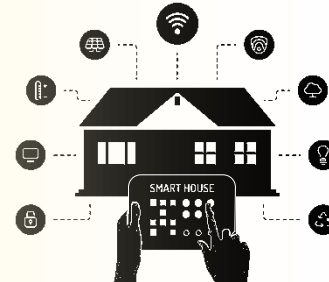
3P



4P



'xP'



Smartly expand fixed footprint, leveraging large mobile customer base and existing backbone



B2B – unlock opportunities



Ambition to become one of VimpelCom' major growth engines, delivering recognized global B2B ICT services for Large Enterprise, SME and SoHo

Key goals



Strengthening our mobile and fixed core businesses



Extending our offering



Delivering best quality



Growth levers

Untapped customer segments

Mobile churn reduction

Mobile up-sell and data monetization

Fixed-mobile convergence

Value added services



Key enablers

Dedicated B2B BU and CoE

Results-Delivery-Office

NPS tracking

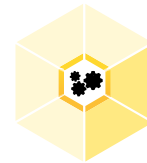
Tailored GTM and customer seg.

Unified practices and processes

Digital transformation

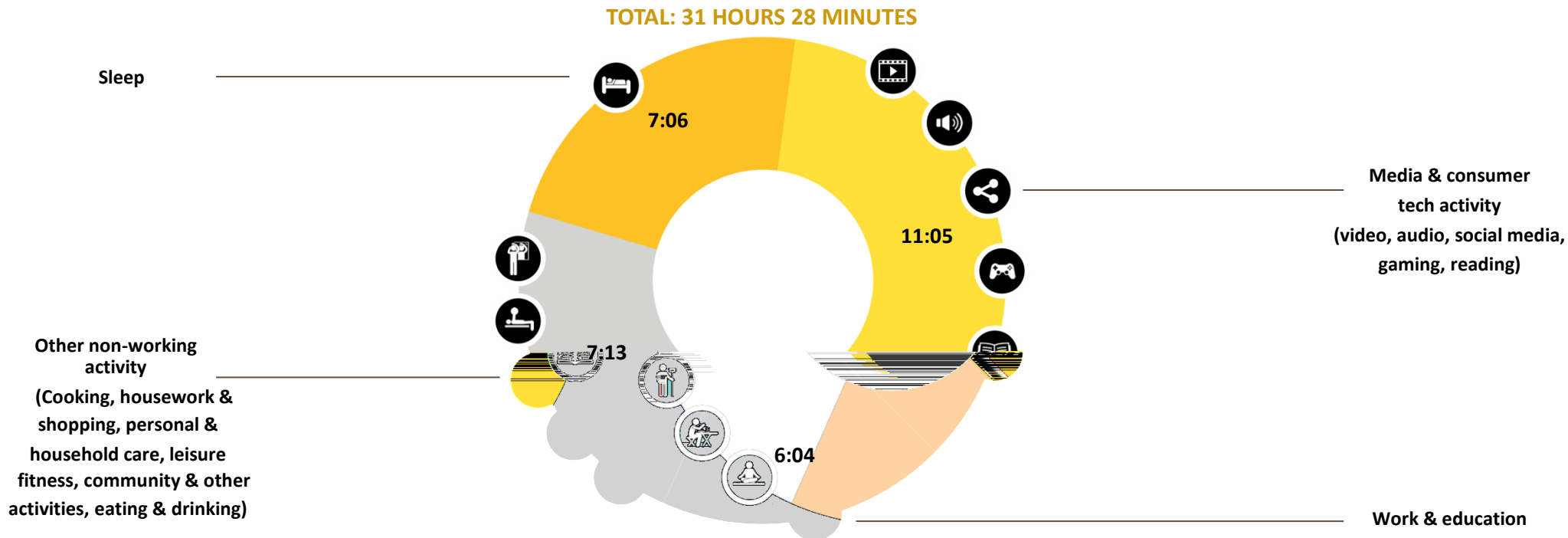


User behavior



The total tech and media attention up for grabs is enormous:
more than half the waking day is spent on tech and media

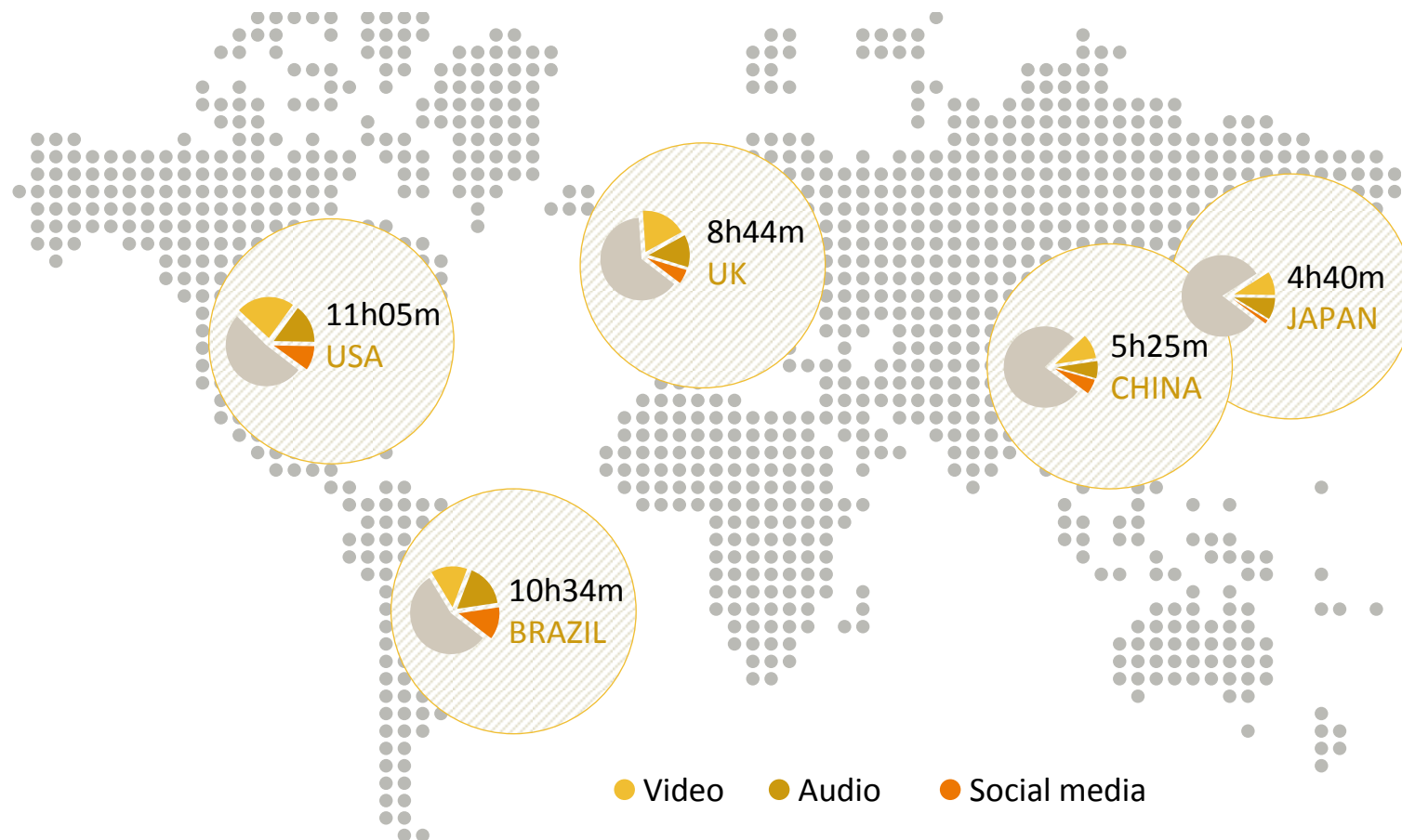
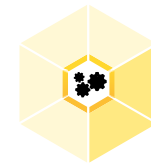
Average employed adult daily behavior, U.S., 2014, hours: minutes



Sources: Bureau of Labor Statistics, The Telegraph, Edison Research, We Are Social, eMarketer, Nielsen, National Sleep Foundation, Deloitte, SNL Kagan, Sandvine, Ipsos, comScore, Global Web Index, OECD, Activate analysis. Behaviors averaged over 7 days. Related travel time is included within timing reported for daily activities.

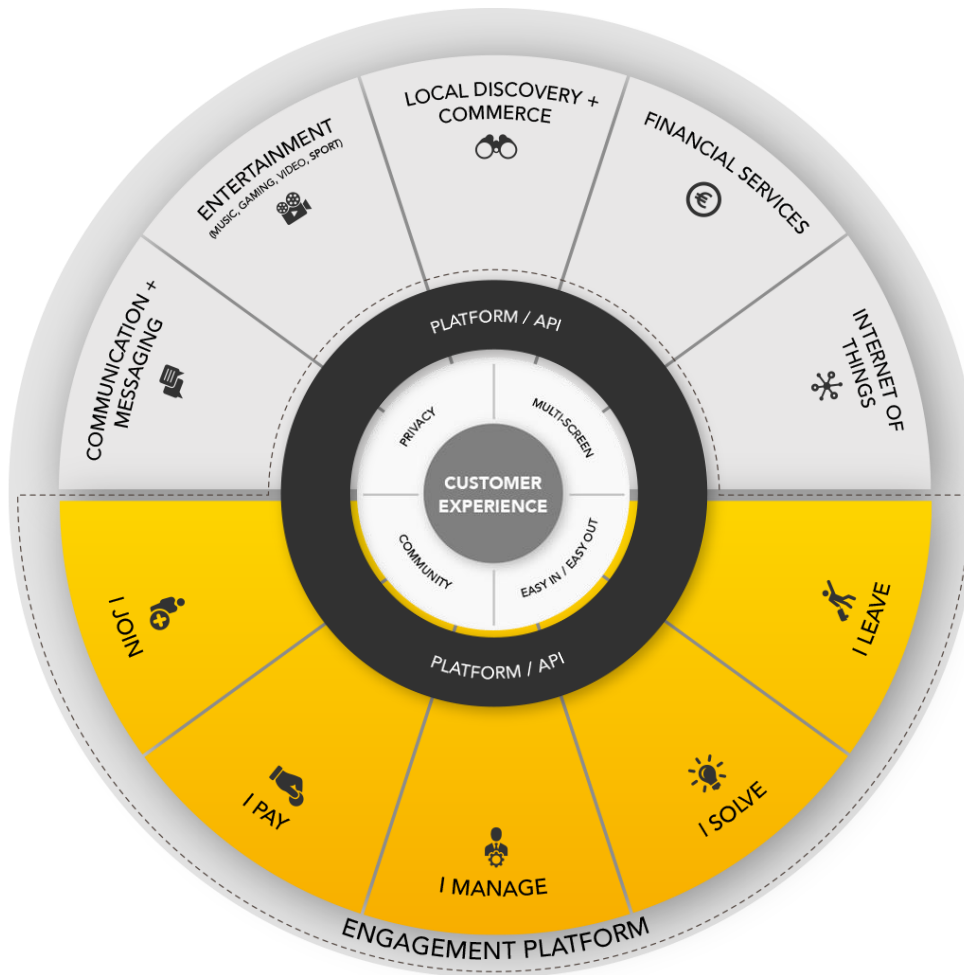


These behaviors dominate people's attention worldwide



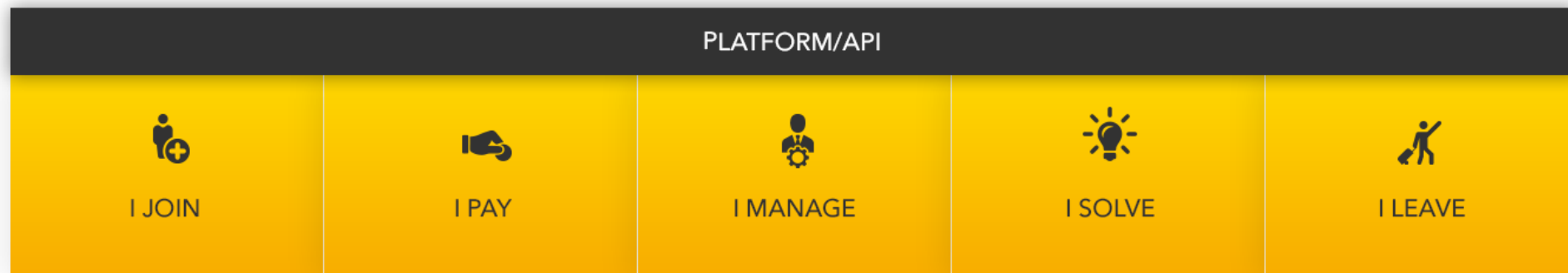
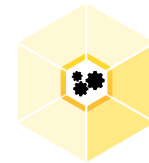


VimpelCom's digital strategy will be built from the Customer Experience outwards





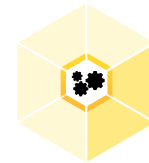
Digital engagement model



Full digitization of the customer journey allows a drastic simplification of the service model, while offering the convenience of 24/7 digital services



New digital products and services



COMMUNICATION
+ MESSAGING



ENTERTAINMENT
(MUSIC, GAMING, VIDEO, SPORT)



LOCAL DISCOVERY
+ COMMERCE



FINANCIAL
SERVICES



INTERNET OF
THINGS

Key principles



Sizable in the short/
mid-term

Asset-light

Effective use
of own assets

Drive customer
base stickiness

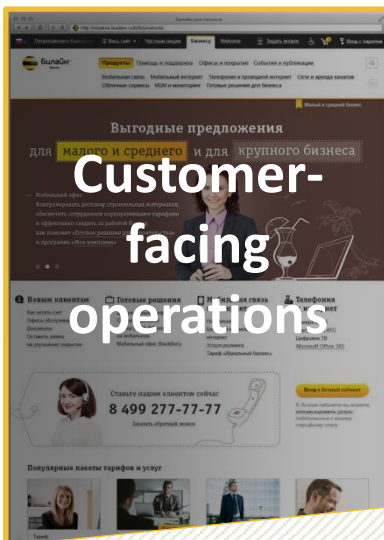
Capture untapped opportunities in emerging markets

- Lower level of international competition
- Strong need for localization to succeed

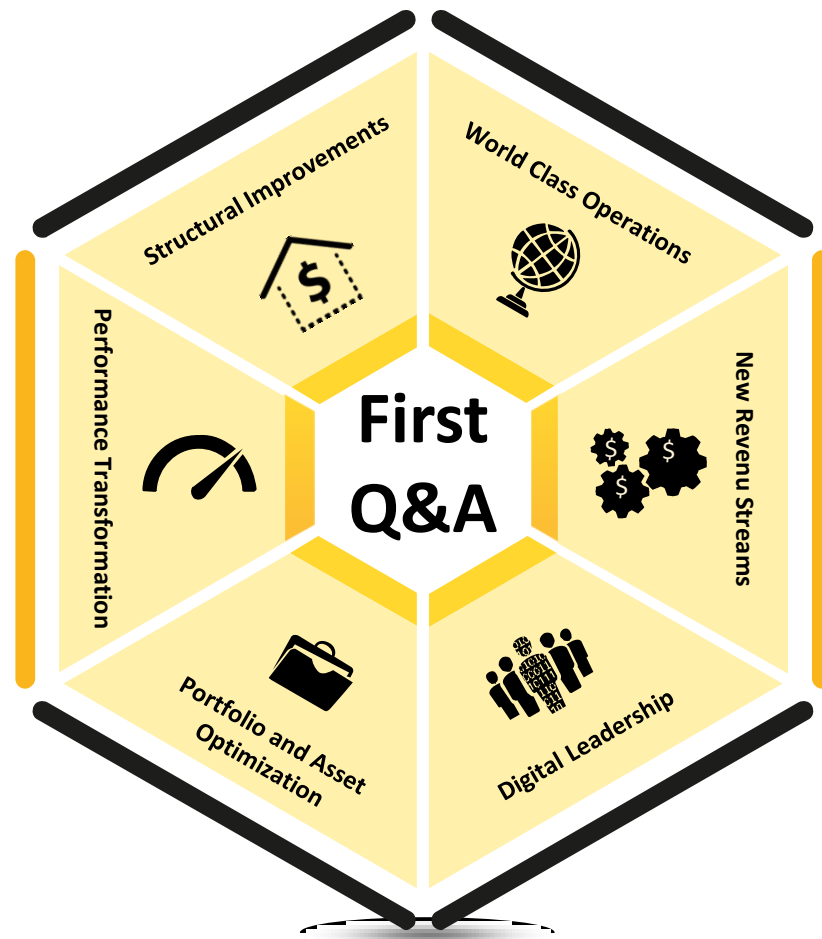
Transforming from a telecom to a digital company



Personalizing the user experience



Enabled by technology



Digital leadership - Portfolio and asset optimization

Yogesh Malik
Chief Technology Officer

London, February 17, 2016



Digital technology leadership



Technology Leadership

Spearhead new architecture principles



Unleash and own critical technologies



Ensure execution



Thinking differently in the new technology age



Traditional telco pitfalls

- Relying on external vendors for innovation
- Sticking too much to classic industry standards
- Depending on system integrators for IT projects
- Not utilizing the data to the full extent



Digital company

- 'Own' critical customer facing technologies
- Grow and foster own development capabilities
- Unleash the power of data to drive business decisions

Spearheading new architecture principles



Challenges



Transaction volume

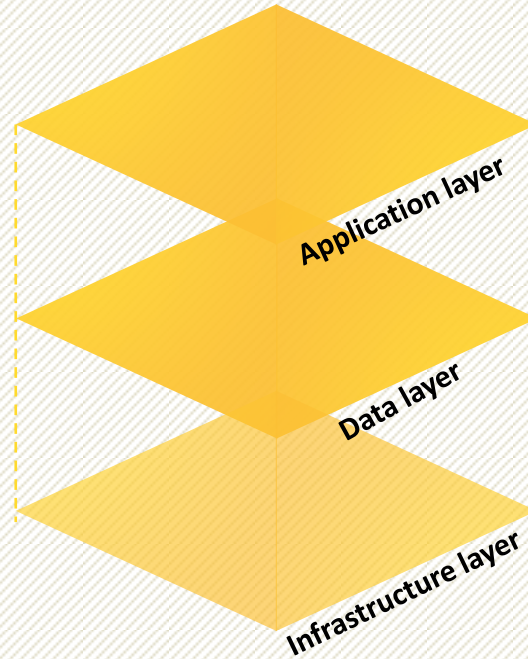


Demand for real-time



Extensive use of data

Our architecture principles



Separate data from the application logic

Make data seamlessly accessible

Fully elastic infrastructure

Launching global initiatives across technology layers



**User interfacing
systems**

Retail Shop

web

Call center

Clean-sheet thinking about
customer experience

**Flexible
OSS/BSS Stack**

IT stack enabling
new products and services

**Real-time data
analytics**

Foundation for contextually
sensitive interactions



Implementing OSS/BSS transformation on a global scale



- Unprecedented scale of transformation across 11 countries
- Designed to bring IT costs substantially down by sun-setting the legacy
- Open interfaces enabling new business partnerships
- Flexibility/configurability to enable new products and services

Moving from local to the next generation IT operating model



	Local operating model	Next generation IT operating model
Group level	<p>IT strategy and integration activities are defined on a high level</p>	<ul style="list-style-type: none"> Runs part of IT as a shared service center Sets architectural priorities and timelines Runs development and operations out of shared service center
		
OpCo level	<p>Standalone IT systems in OpCo's, relatively little coordination</p>	<ul style="list-style-type: none"> OpCo's outsource substantial part of their IT to the Group shared service center on an SLA basis

Harnessing the power of data and analytics



Utilize our data assets



Customer profiling



Network optimization



Offer personalization

Ensuring execution by establishing strong technology talent



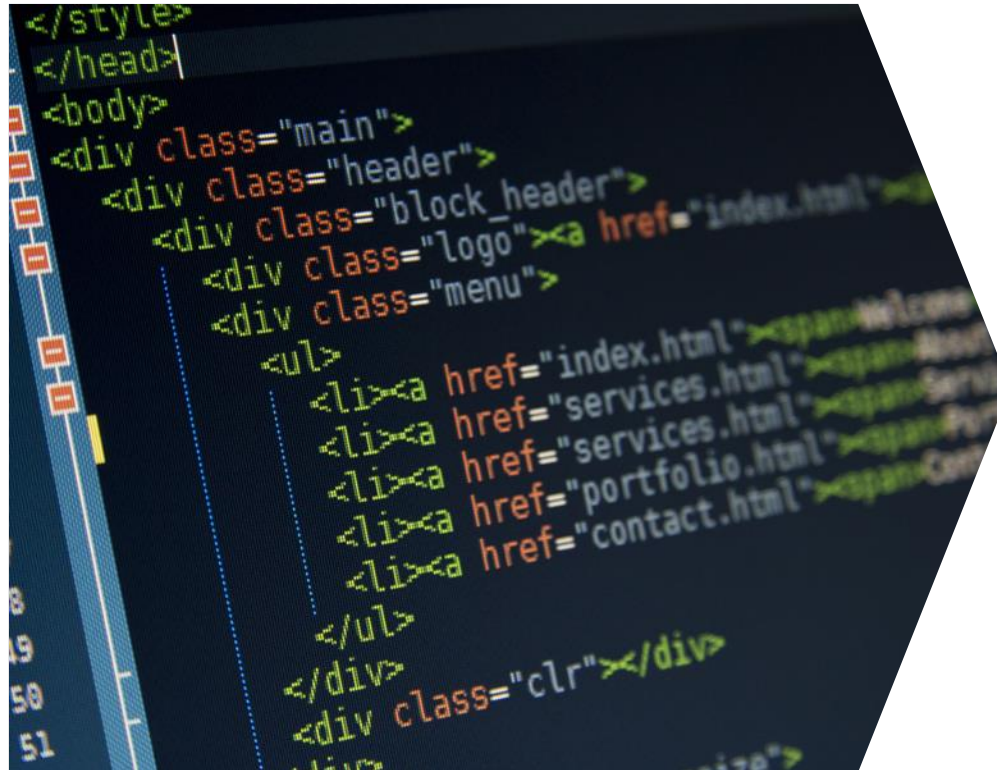
Facts

- Majority of our regions have appointed new CTO leadership in 2015
- HQ Technology team was completely revamped in 2014 and 2015

Results achieved

- Hands-on, delivery-oriented team culture
- Instant innovation and close-knit cooperation between HQ and operating companies

Ensuring execution by ramping up internal capabilities



- Emphasizing front-end application development
- Opening mobile App development centers
- Growing internal data science competence



Portfolio and asset optimization

Portfolio and asset optimization

Next-generation operating model



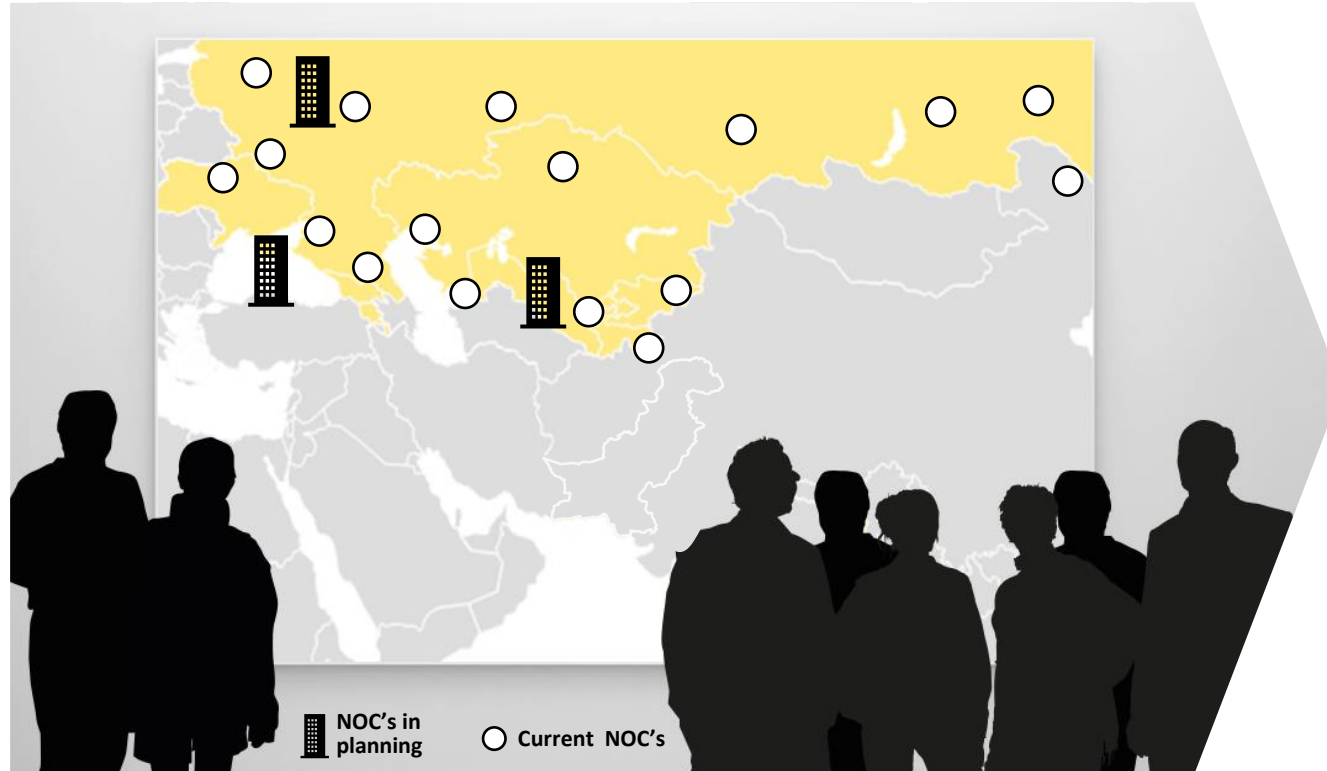
On track with CAPEX efficiency



Structural OPEX reduction



Pioneering the next-generation operating model



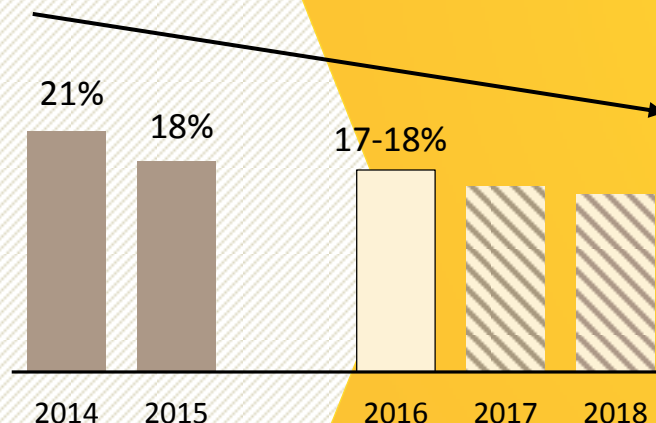
- Consolidating Network Operating Centers
- Raising efficiency by establishing service centers/hubs
- Partnering with key vendors toward a lean operating model

On track with CAPEX efficiency despite macroeconomic headwinds



What we achieved

- Clear NPV-based CAPEX framework applied across all OpCos
- Improved sourcing and strict spend discipline instilled with key vendors
- Streamline architecture to reduce the number of physical network elements



What we are planning to do

- Maximizing traffic to 4G and minimizing 3G capacity
- Network sharing in key countries
- Full virtualization of core network elements and consolidation of Network Operating Centers

Ambitious infrastructure sharing plans



- Joint project with MegaFon to cover 10 Russian regions for more than 1,300 4G/LTE base stations
- Joint deal with MTS in Russia to share mobile spectrum in addition to infrastructure sharing agreement
- Network sharing negotiations in several countries

Taking tower monetization to the next level



- Tower monetization program is being deployed across the footprint, driven by an NPV-based approach
- Several formal processes have already started
- The industrial driver of tower transactions is the asset light strategy



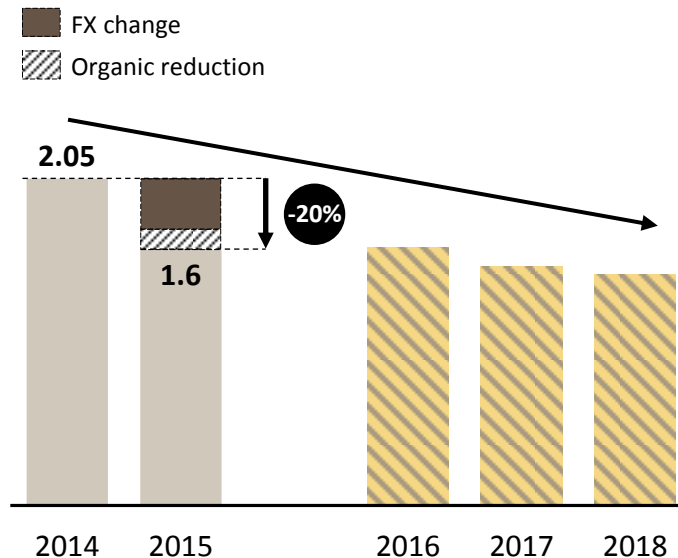
Reducing structural OPEX

in spite of growing traffic and increased number of sites

Examples of levers pulled:

1. Renegotiation of site rental agreements (e.g. in Russia)
2. Energy saving measures (e.g. Pakistan fuel rationalization)
3. Maintenance cost renegotiations (e.g. field maintenance in Algeria)

Technical OPEX (USD billion)



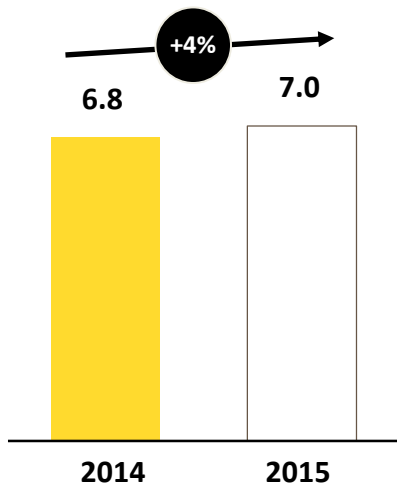


Example Russia

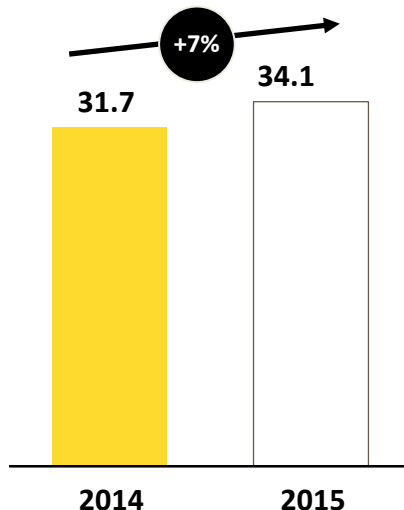
keeping site rental costs flat despite heavy inflationary trends



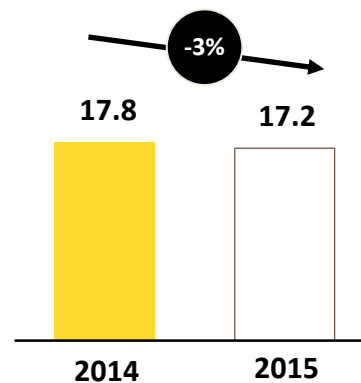
Total site rental cost
(RUB billion)



Total number of sites
(thousand)



Avg. rental cost per site
(RUB thousand)



Measures taken:

- Renegotiation of agreements
- New motivation program
- Tighter control over end-to-end site acquisition process

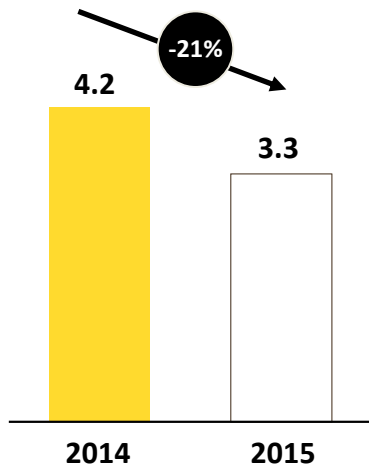


Example Pakistan

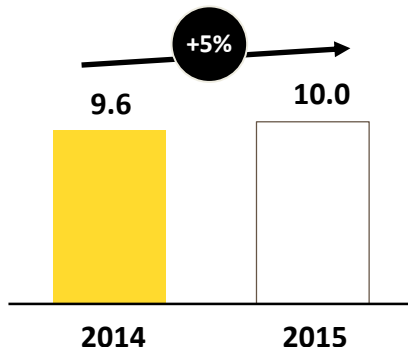
reducing generator fuel costs despite increased number of sites



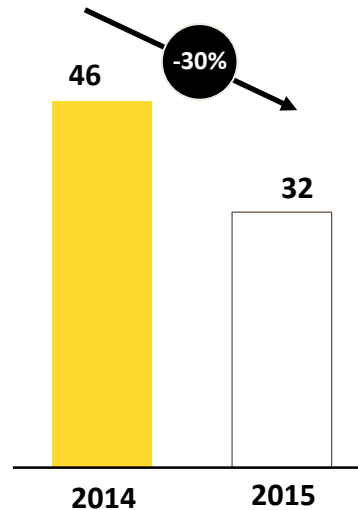
Fuel and refueling costs
(PKR billion)



Total number of sites
(thousand)



Reduced fuel consumption
(million liters)



Measures taken

- Modernized equipment
- Lower power consumption
- Tighter fuel management

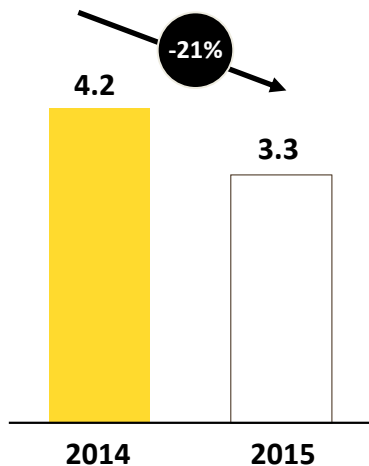


Example Algeria

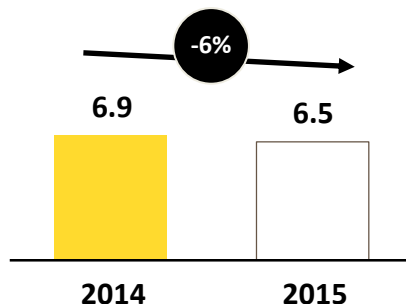
reducing maintenance costs



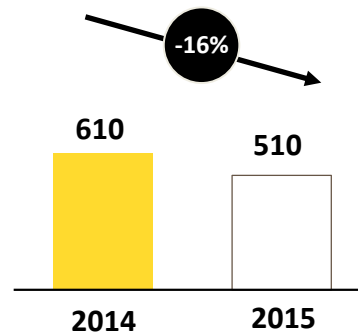
Maintenance costs
(DZD billion)



Total number of sites
(thousand)



Avg. maintenance cost per site
(DZD thousand)



Measures taken

- 2G site dismantling
- Maintenance in-sourcing
- Leased line rationalization

Performance transformation

Alexander Matuschka

Chief Performance Officer

London, February 17, 2016



Performance transformation aspirations

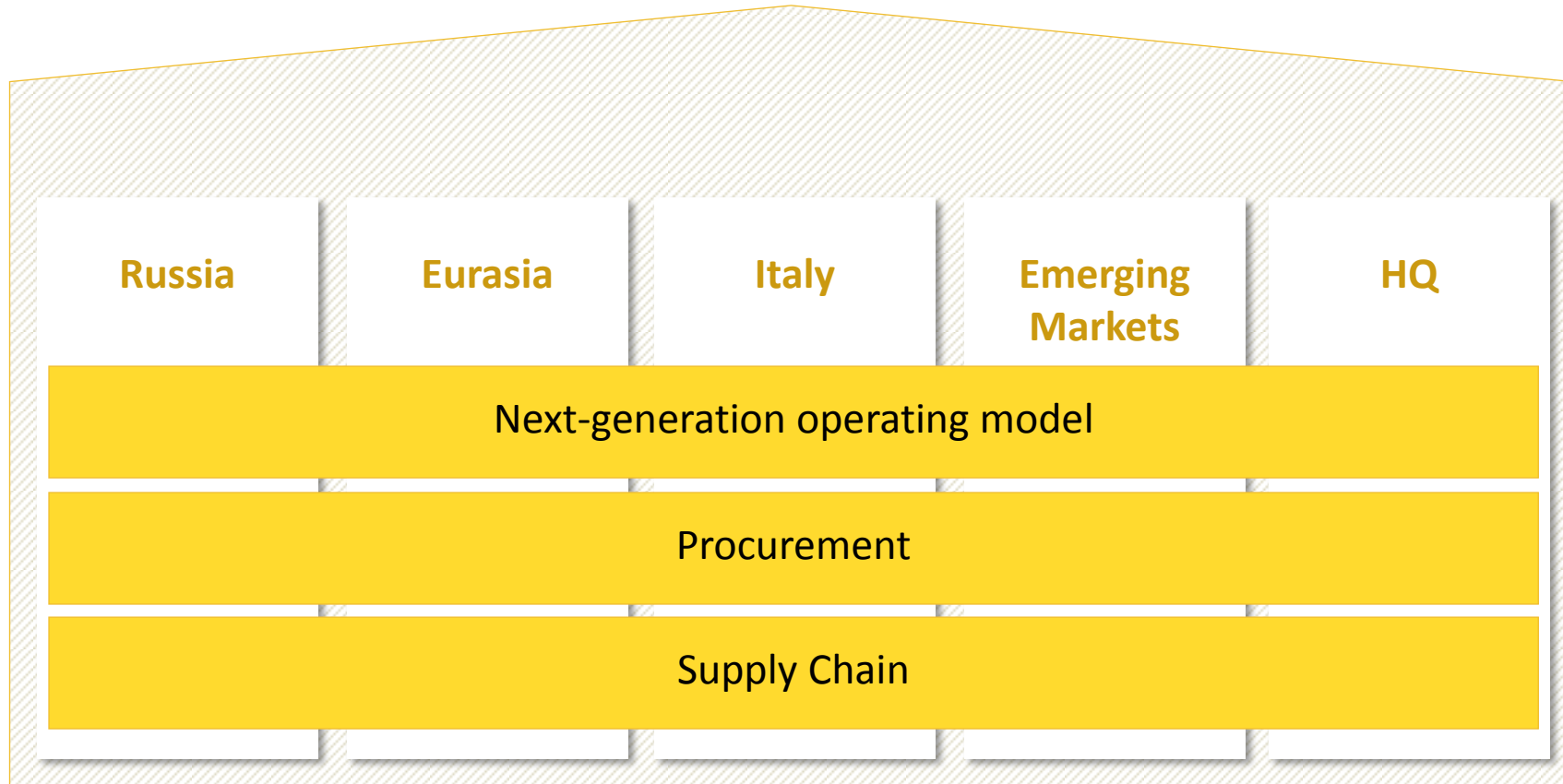


Create the next-generation operating model

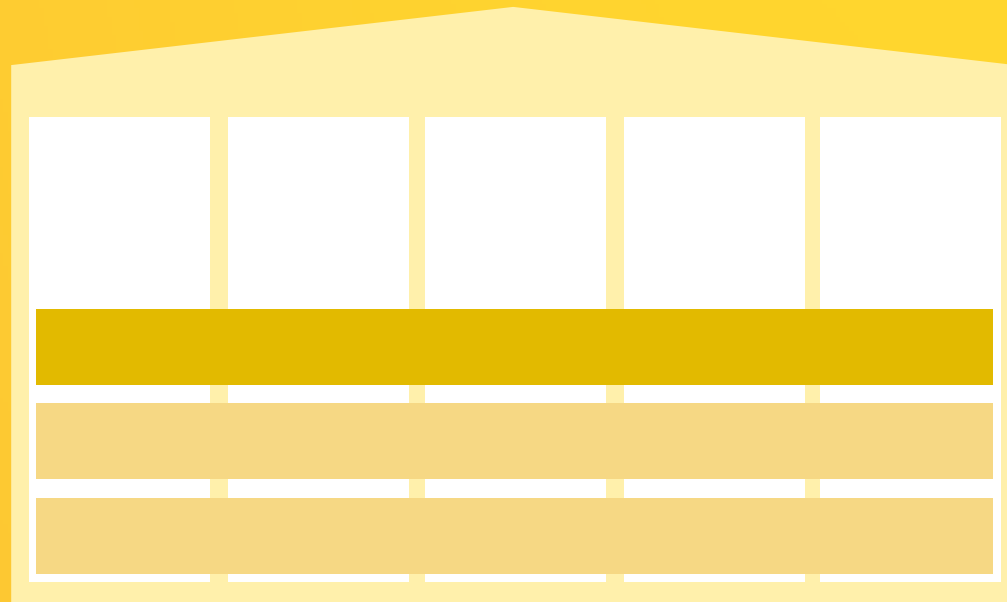
- Save and reinvest
- Drive 750 million cash improvement
- Create local champions and local ownership

**To reinvent
VimpelCom with
substantially lower
cost base**

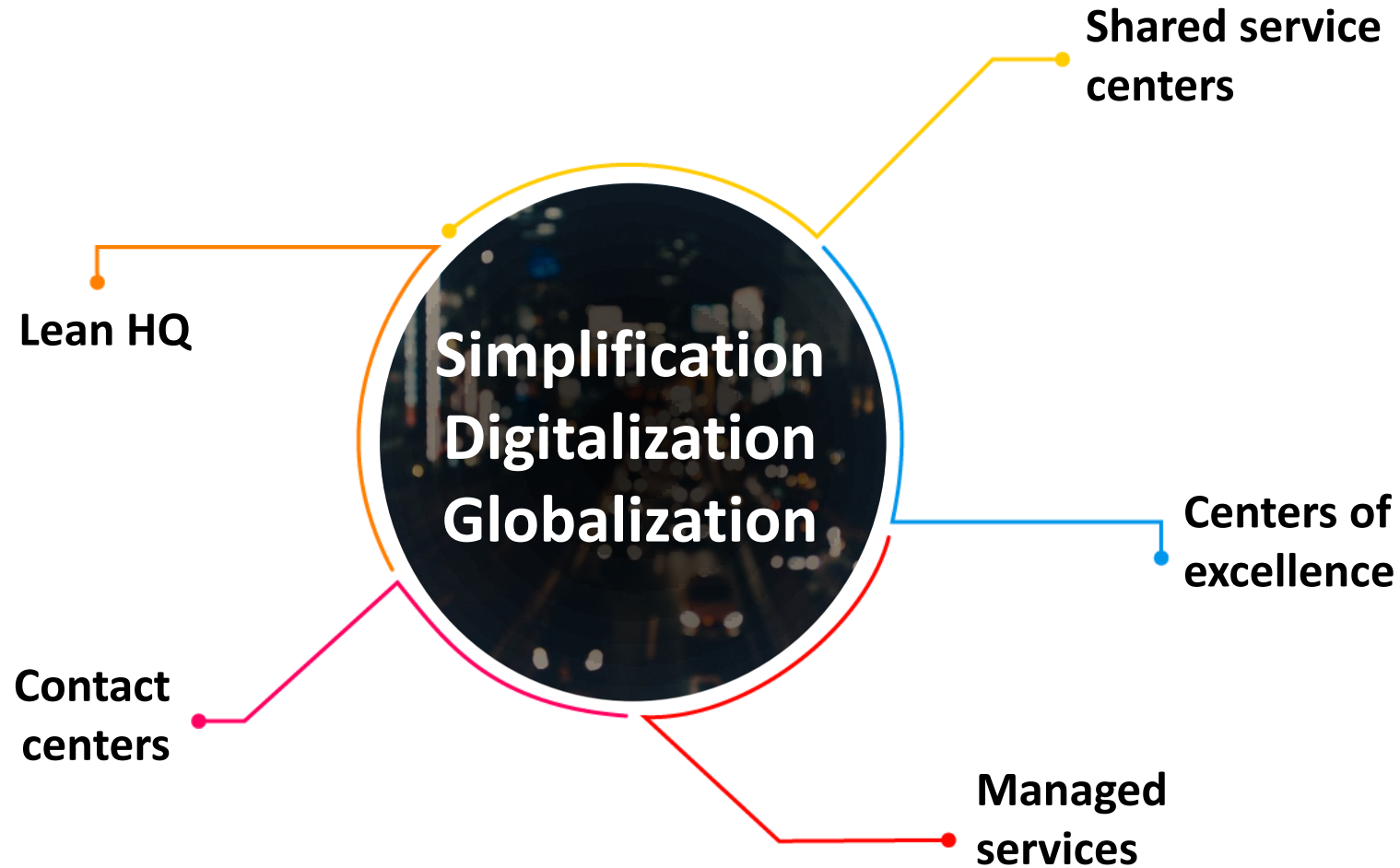
Performance transformation – three core elements



Next-generation operating model



Next-generation operating model



Next-generation operating model

From

To

14 companies with separate operating models

Amsterdam HQ administrative oversight

Patchwork of local competencies & skills

Next-generation operating model

Lean HQ with strategy focus

Global competencies and skills

Shared service centers

From

Wide Range
of non-standardized processes

Almost no
automation

Fragmented operating model

To

Standardized, consolidated
global support processes

Lean, automated
processes

Global operating model

Centers of excellence

From

To

Local pockets
of expertise

Limited
Knowledge sharing

0
Global centers of excellence

Global expertise

Agile replication of intelligence
across the group

>15
Global centers of excellence

Managed services

From

To

Country-based

Managed service solution

Network Centric

Operational model, obsolete tooling

Multiple In-country

Network Operation Centers

Cross-border

Managed service solutions

Service oriented

Operating model, Customer experience

Consolidated

Network Operation Centers

Contact centers

From

To

No big data
analytics

Silo-view

Non-standardized
call centers

One customer view
In real time

First contact resolution

Standardized
contact centers
Customer service oriented

Procurement



Procurement

From

To

Local

Vendor strategy

Vendors in control

Through localised decisions

Traditional approach

Close to incumbents

Global

Vendor agreements

VimpelCom in control

Innovative approach

We expect disruptive behaviour

Procurement

From

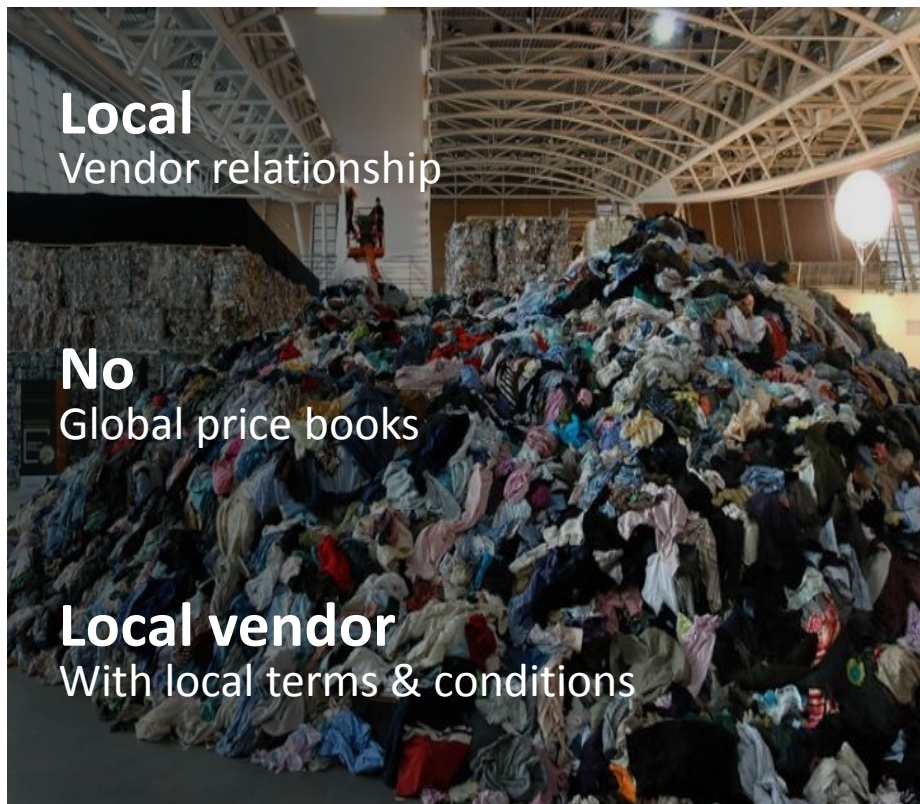


To

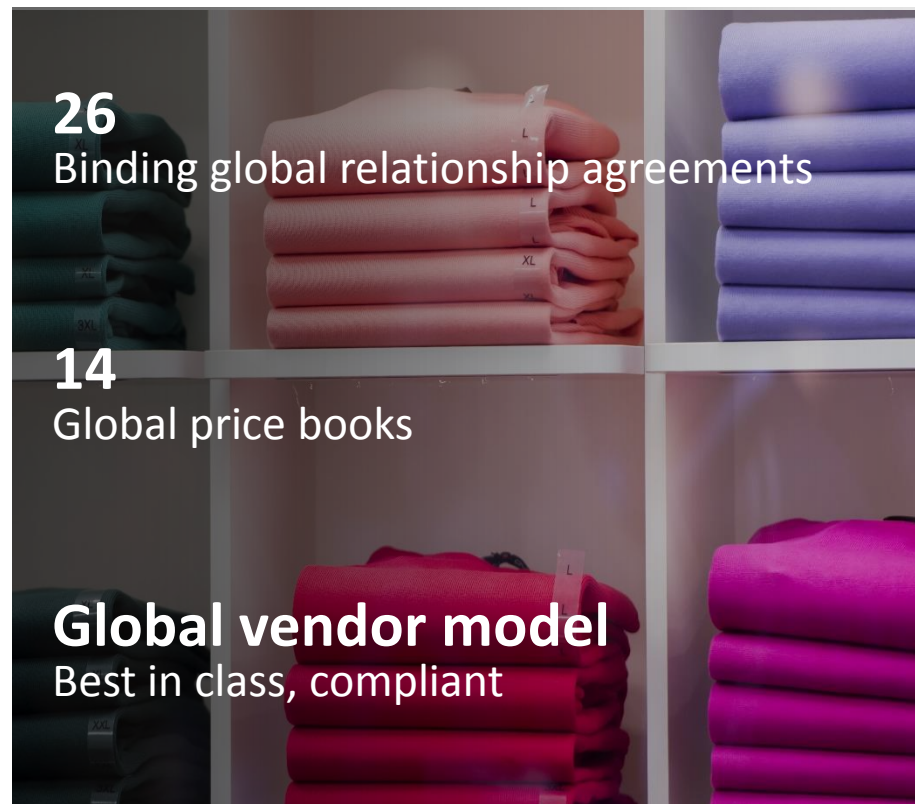


Procurement

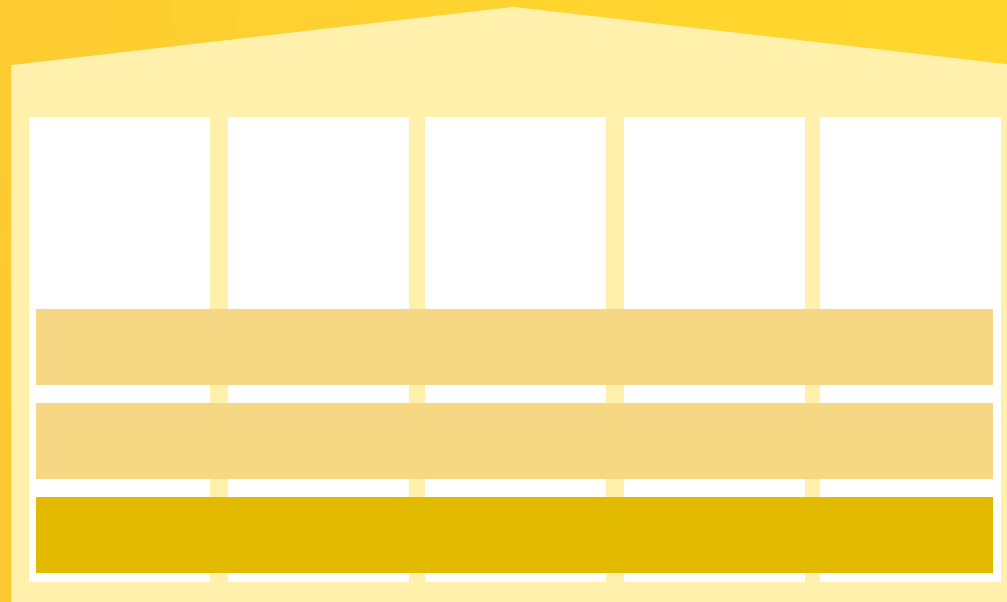
From



To



Supply chain

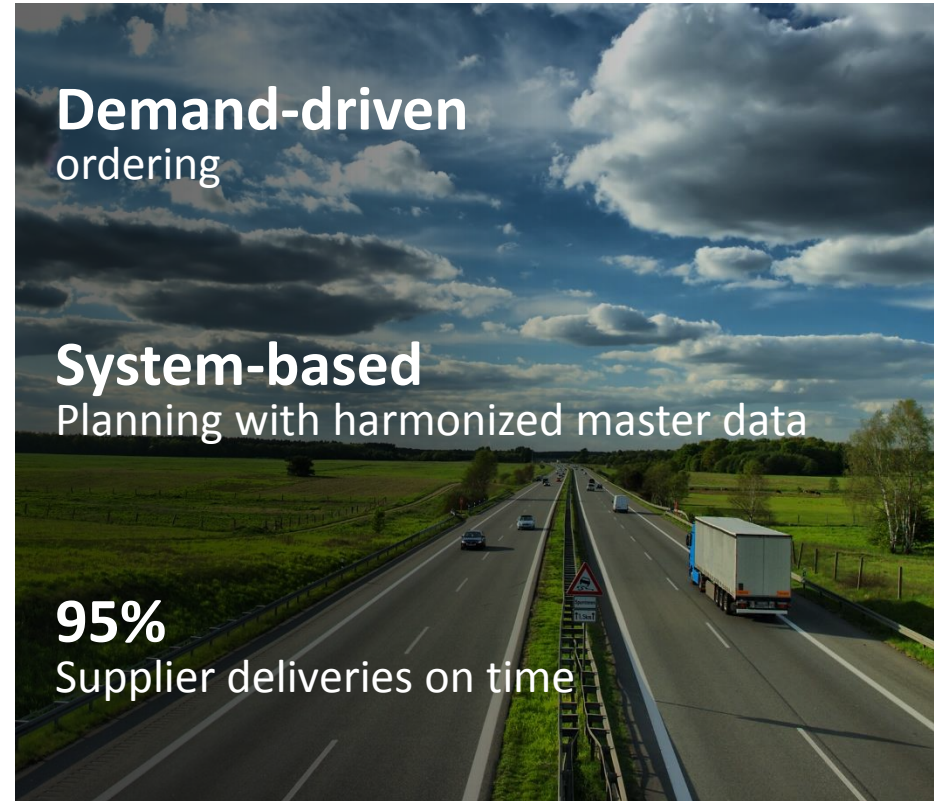


Supply chain

From



To



Supply chain

From

To

>150 warehouses

>180 days stock

**3 months updated
Inventory level**

<50 warehouses

<90 days stock

**Real time
Inventory data**


IOT

CONNECTIONS
DISTRIBUTIONS
SEGMENTATIONS
SOCIAL NETWORK

Why we will succeed



One project management

A low-angle shot of a person's hands and head reaching up to juggle five white balls against a clear blue sky. The balls are in various stages of motion, creating a sense of dynamic activity.

One global PMO, satellite in each OpCo
Every initiative based on a business case
Every business case linked to P&L
Every business case validated by 4 eye principle

Stringent governance

A blurred background image showing a group of business professionals in a modern office setting. In the foreground, there are several documents with bar charts and graphs, a pen, and a glass of water, suggesting a formal business meeting or review session.

Every OpCo reviewed monthly
Every global initiative reviewed monthly
Every local initiative reviewed monthly
Reviews held locally & in person

One project management tool



Implemented so far



150 full time employees managing program

1,200 transformation measures

1,700 trackable actions

330 measure owners

One big data mining tool

Total no. of internal HC

Ramp-downs

Ramp-ups

No. of layers

Average job grade

of micro-teams

Average span of control

Average personnel costs/
internal HC

Total # of external HC

Ramp-downs

Ramp-ups

Profile of contract duration

Average daily rate

Customer care cost base

Network maintenance cost base

IT support cost base

Span of control

Sales cost base

Network maintenance costs (mobile)

Network maintenance costs (fixed)

of subcontractors (IT)

#of subcontractors (NW maintenance)

Total spend on subcontractors

Outsourced call center costs (fixed)/
3m active subscriber

Outsourced call center costs (mobile)/
3m active subscriber

Claims collected value /
Network Maintenance costs

Claims collected value /
IT Maintenance costs

IT maintenance costs /
3 months active subscribers

Total cost base

HC-driven costs

Non-HC-driven costs

HC driven costs per internal HC

Employee benefit per internal HC

Employee training costs per internal HC

Travel costs per internal HC

Fleet costs per internal HC

Cost of office supplies/ HC

Cost of prof. services & consulting

Cost of recruiting

Cost of other G&A

Internat./ domestic flight cost

Internat./ domestic flight no.

Booking in advance

Triggered travel

of hotel nights

of flexible/ restricted tickets

of bus./eco./1st class tickets

Hotel category ratio

of miles

Red Book Opex HC/ non-HC driven

Red Book Opex intensity HC/
non-HC driven

Total # of sites

Space

Actual office utilization

Desk sharing ratio

m2 per employee

m2 per per desk

Call center peak utilization

m2 per call center desk

Average rent per m2

Average FM + utilities cost/ per m2

Real Estate Opex intensity

Total Real Estate Opex

Structural KPI methodology

From

To

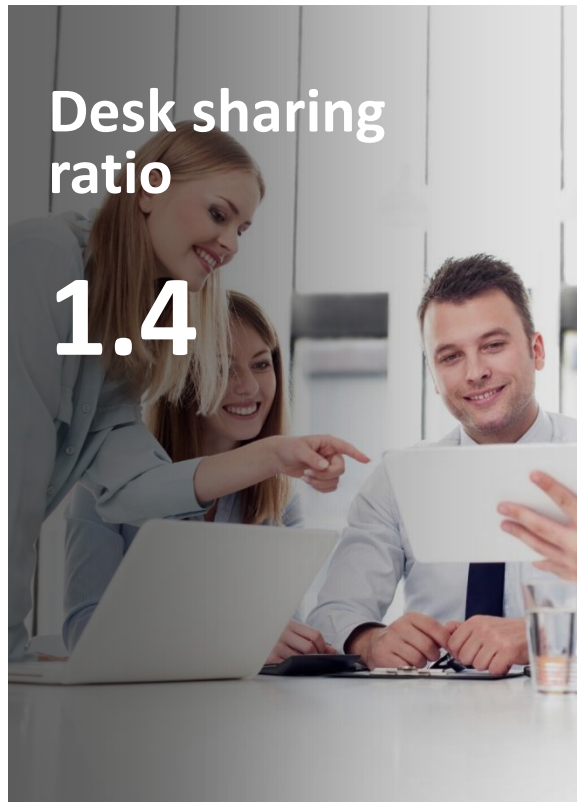
Desk sharing
ratio

1.0



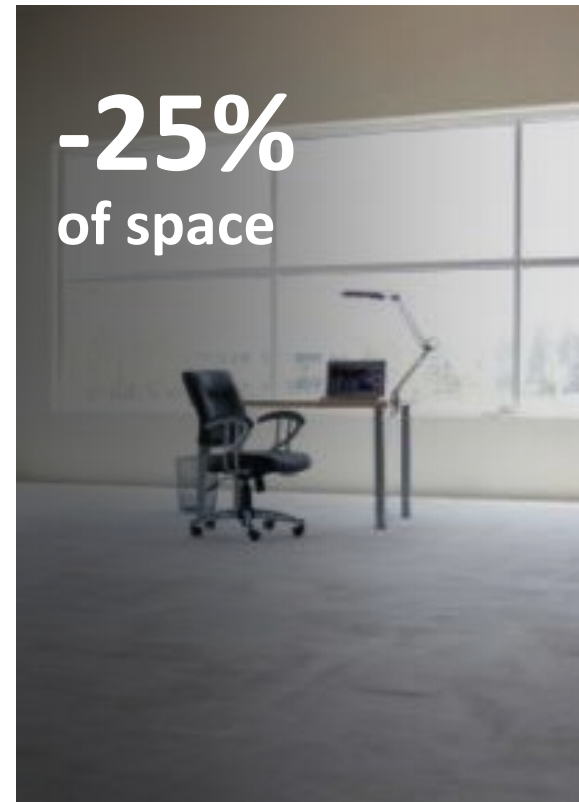
Desk sharing
ratio

1.4



=

-25%
of space



Structural KPI methodology

From

To

Micro-teams

3,300

Span of Control
admin functions

9

Micro-teams

300

Span of Control
admin functions

6

=

Agile
Lean
Upgrade

New mode of operation

From

To

Advanced flights
Booked time

3 days

Advanced flights
Booked time

14 days

=

25 %
cost
reduction

Structural improvements & targets 2016

Andrew Davies

Chief Financial Officer

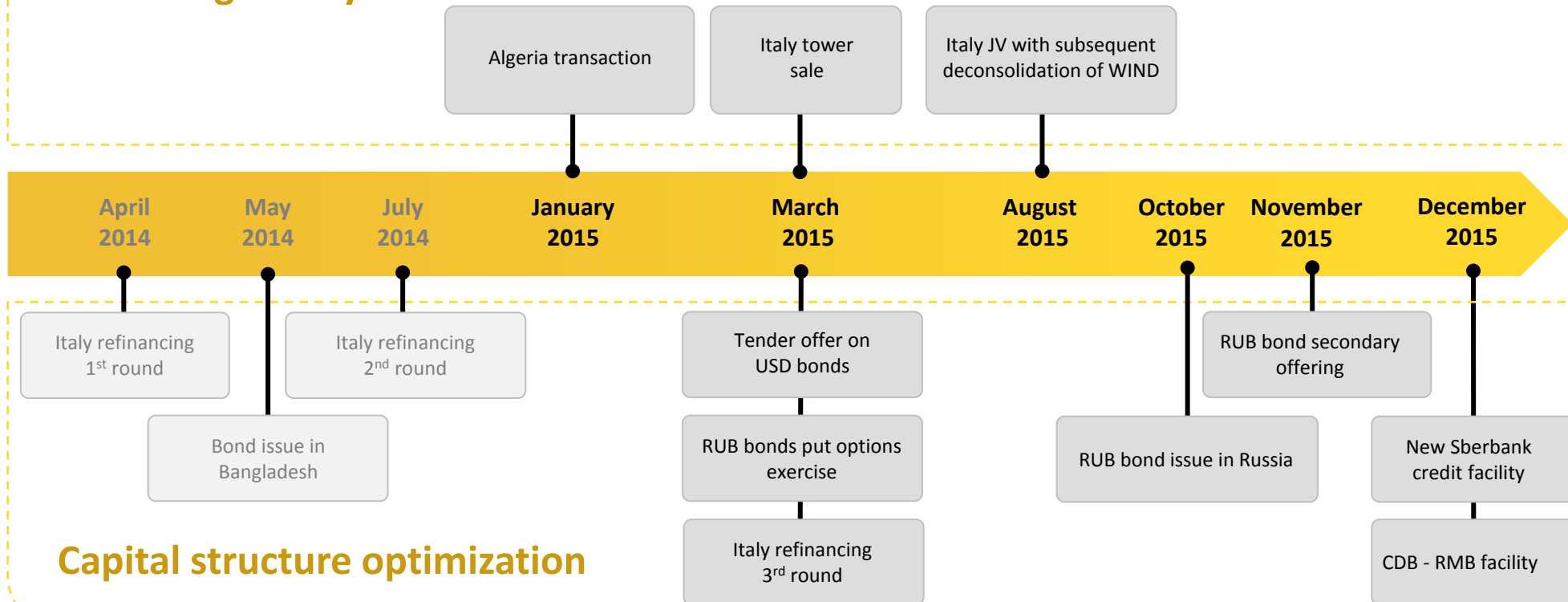
London, February 17, 2016





Group delivery on structural improvements (1/2)

Deleverage – Key events

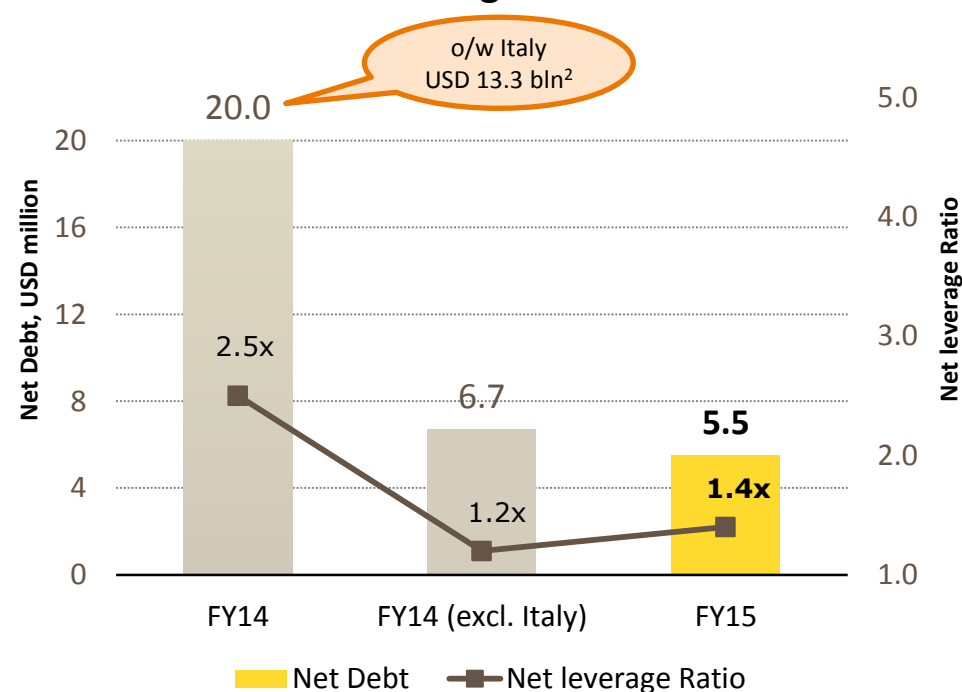




Group delivery on structural improvements (2/2)

- In 2014, USD 21 billion in total financing activities at group level were completed
- In 2015, we managed to further improve the capital structure profile, reducing gross debt and completing USD 5 billion in financing activities
- Leverage ratio is currently at 1.4x¹

Net Debt and Net Leverage Ratio¹



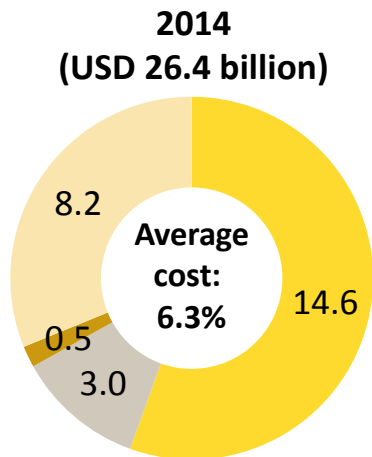
¹ Net leverage ratio: Consolidated Net Debt/Underlying EBITDA

² Excluding effect of cross-currency swaps

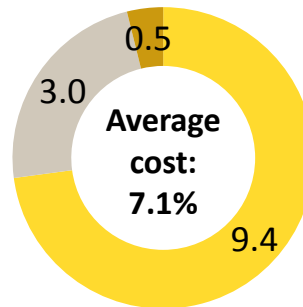


Progress on debt optimization

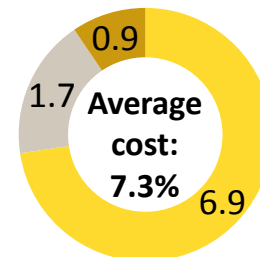
Group gross debt (currency breakdown and evolution)



2014 excl. Italy, pro-forma
(USD 12.9 billion)



2015
(USD 9.5 billion)



■ USD ■ RUB ■ Others ■ EUR

Average interest cost

~USD 0.9 bln

~USD 0.7 bln

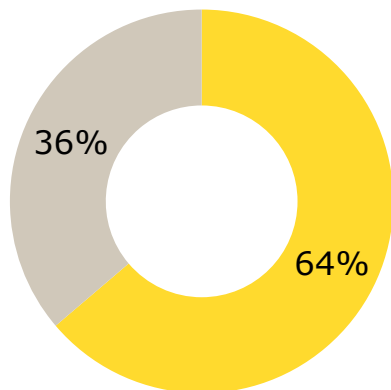
Run-rate interest savings ~USD 200 million



Liquidity analysis

Group Cash breakdown by currency

(December 31, 2015)



■ USD ■ Others

Unused RCF headroom at the end 4Q15:

VimpelCom - syndicate	USD 1.8 billion
PJSC VimpelCom - Sberbank	RUB 15 billion (USD 0.2 billion)

Unused VF/CF headroom at the end 4Q15:

VimpelCom - CDB/BoC	USD 1.0 billion
VimpelCom - CDB	RMB 0.7 billion (USD 0.1 billion)
Algeria - syndicate	DZD 32 billion (USD 0.3 billion)
Pakistan - syndicate	PKR 20 billion (USD 0.2 billion)
PJSC VimpelCom - Sberbank	RUB 30 billion (USD 0.4 billion)

Solid cash position, largely held in USD, and headroom of USD 4 billion

Capital structure and capital allocation priorities

Closing of Italy transaction

GTH refinancing


Improving cash upstream

Optimization of local debt structures

Global capital allocation model

Asset light strategy

Create flexibility for reinvesting



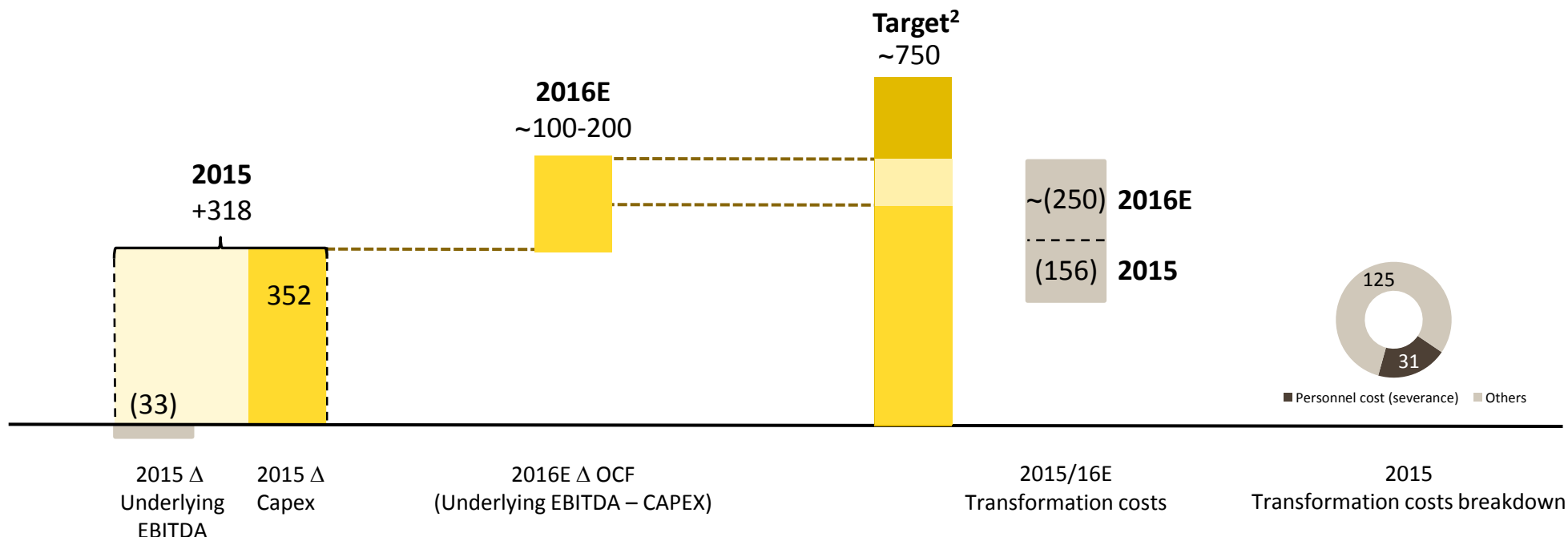
Paving the way to return to a meaningful dividend policy

Expect to deliver >50% of USD 750 mln p.a. cash flow target in 2016



2015-2016E Operating Cash flow improvement¹

(USD, million)



¹ 2015 at constant 2014 currency; 2016E in line with guidance

² 2019E run-rate figure

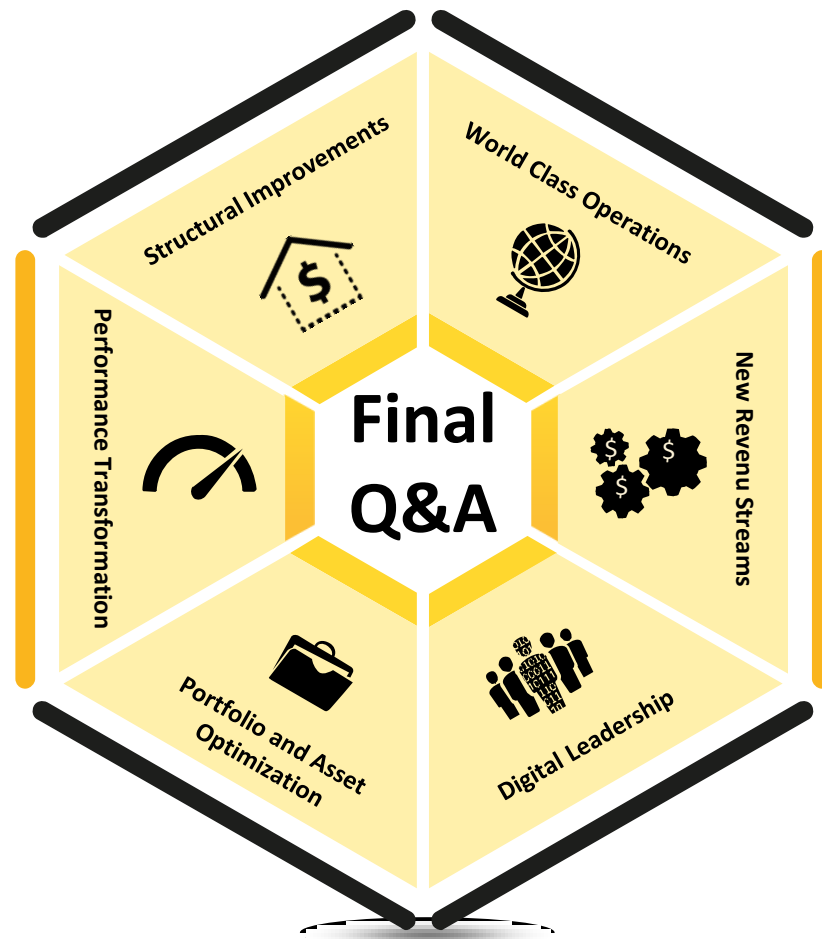
2016 guidance



	Targets 2015		Actual 2015		Targets
Service Revenue¹	Flat to low single digit decline YoY	✓	(0.2%)	➡	Flat to low single digit growth YoY
EBITDA Margin¹	Flat to minus one p.p. YoY	✓	40.8%	➡	Flat to +1 p.p.
CAPEX / Revenue¹	18-20%	✓	18.2%	➡	17-18%
OCF margin¹ (EBITDA-CAPEX)/Revenue	<i>Not used as a target in 2015</i>		22.6%	➡	Flat to +2 p.p.
Leverage²	~1.6x	✓	1.4x	➡	~2x

¹ All targets except leverage calculated at constant currency. Targets for 2016 assume no major regulatory changes, no change to the asset portfolio and no major macro-economic changes; targets are also adjusted for Italy classified as asset held for sale; EBITDA Margin excludes exceptional charges such as impairment charges, restructuring charges, litigation and settlements, impact of M&A transactions and related accounting and other one-off charges and transformation costs

² Leverage target 2016 on assumed FX for 2016 (all currencies, e.g. Ruble/Dollar of 70). See attachment for table with currency assumptions 2016; leverage target 2016 assumes closing of JV Italy as well as JV Pakistan



Appendix

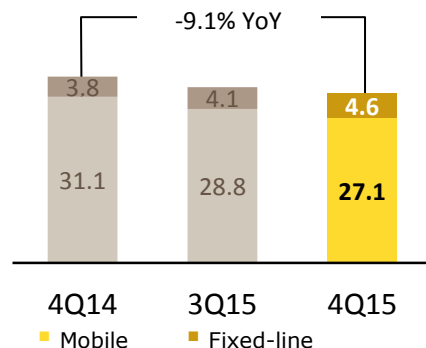
Reconciliation of EBITDA from reported to underlying

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

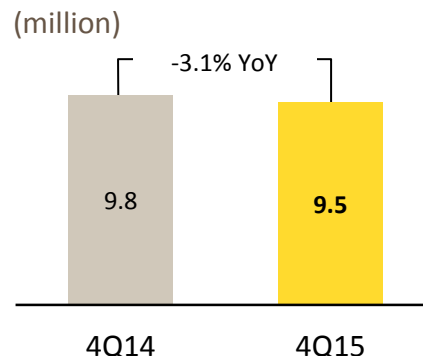
Kazakhstan: heightened competitive pressure

KZT BILLION, UNLESS STATED OTHERWISE

Service revenue

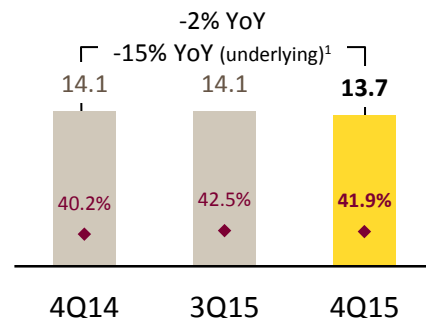


Mobile customers

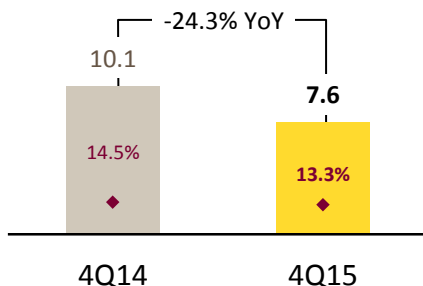


- Mobile service revenue decreased by 6% YoY, excluding MTR reductions
- Fixed-line service revenue growth of 22% YoY
- Beeline continues to gain EBITDA market share, despite intensifying competition
- Competitive environment expected to remain challenging throughout 2016

EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue

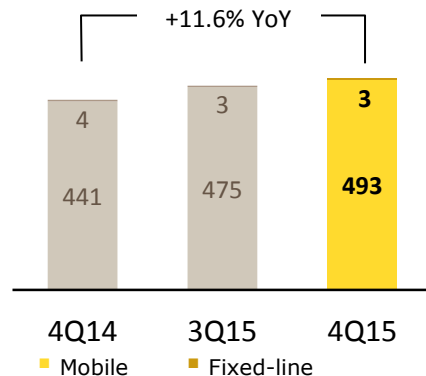


¹ 4Q15 EBITDA negatively impacted by a one-off of KZT 0.2 billion related to transformation costs
4Q14 EBITDA negatively impacted by a one-off of KZT 2.4 billion related to adjustment of technical maintenance of software from CAPEX to OPEX

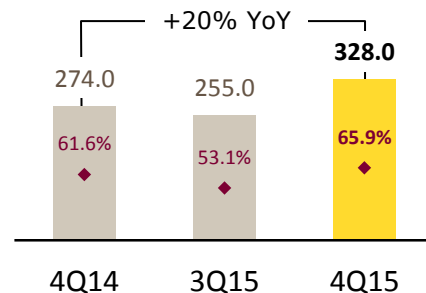
Uzbekistan: good growth in mobile data

UZS BILLION, UNLESS STATED OTHERWISE

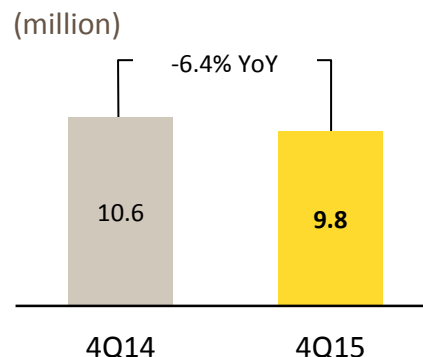
Service revenue



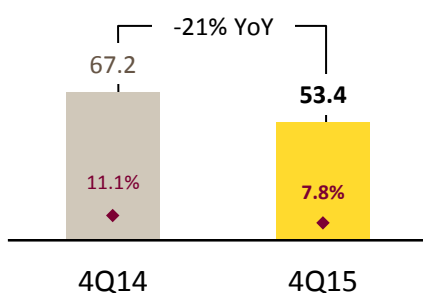
EBITDA and EBITDA margin



Mobile customers



CAPEX excl. licenses and LTM CAPEX/revenue



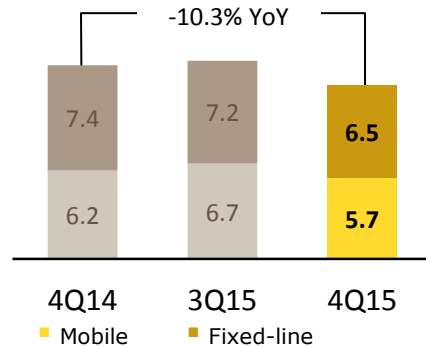
- Strong growth in mobile service revenue of 12% YoY driven by mobile data and VAS revenue
- Mobile data ARPU increased 30% YoY
- Rational competition from third and fourth entrants during the quarter
- Competition expected to increase in 2016, while new government tax measures related to customers and profit will substantially negatively impact EBITDA margin



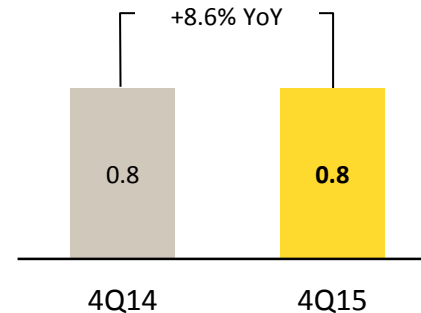
Armenia: strengthened market position

AMD BILLION, UNLESS STATED OTHERWISE

Service revenue

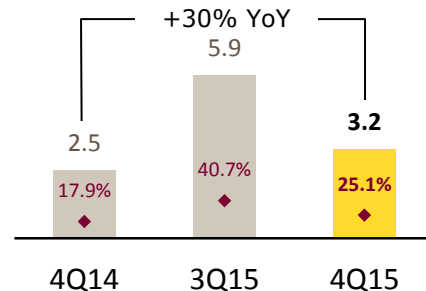


Mobile customers (million)

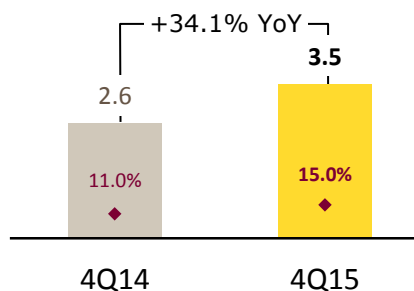


- Growing customer and revenue market share in a declining market
- Mobile data revenue growth of 16% YoY driven by promotion of data bundles

EBITDA and EBITDA margin



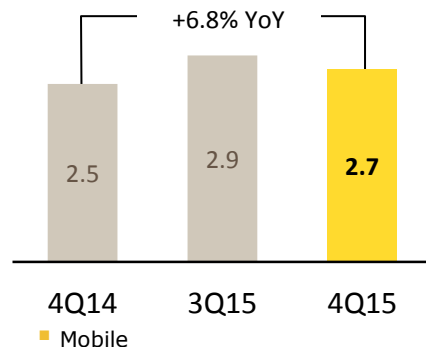
CAPEX excl. licenses and LTM CAPEX/revenue



Kyrgyzstan: remained clear market leader

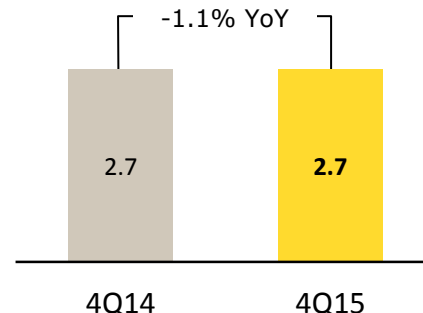
KGS BILLION, UNLESS STATED OTHERWISE

Service revenue

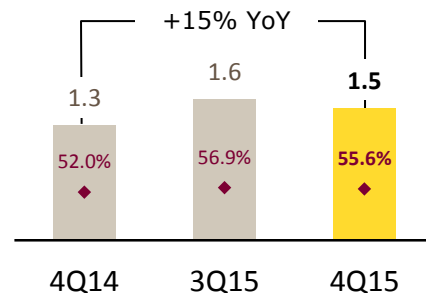


Mobile customers

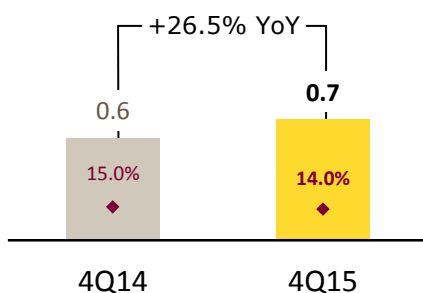
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



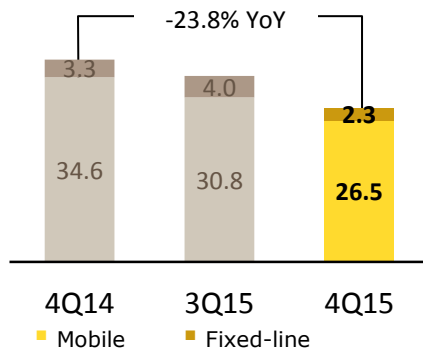
- Remained clear market leader with leading NPS position due to high quality network and attractive value proposition
- Strong mobile data revenue growth of 19% YoY
- Customer base negatively impacted by increased migration due to Kyrgyzstan's entry into the Eurasian Customs Union (EACU)
- EBITDA margin up 4 pp YoY supported by network cost optimization



Georgia: continued customer improvement

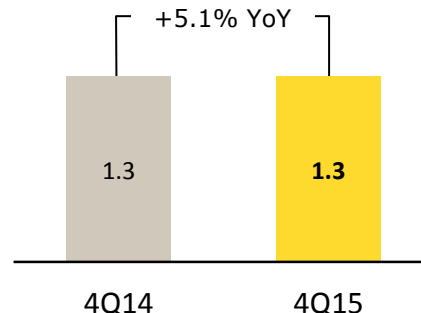
GEL MILLION, UNLESS STATED OTHERWISE

Service revenue

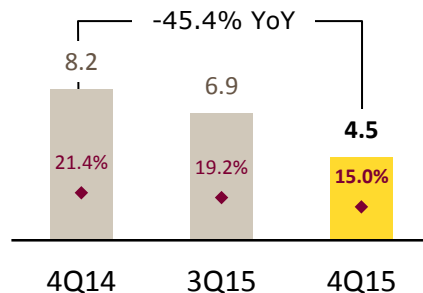


Mobile customers

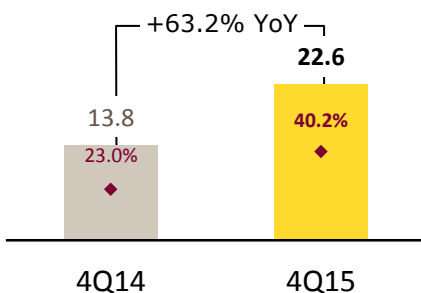
(million)



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue



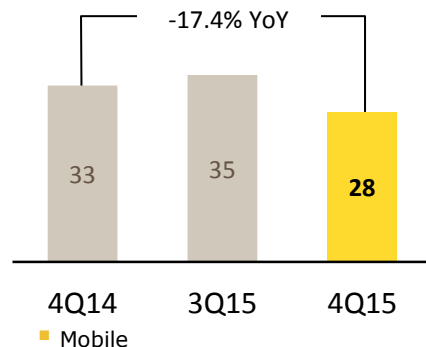
- Customer growth of 5% YoY due to attractive value proposition and improving churn
- NPS continues to improve
- Service revenue pressure mainly due to cancellation of asymmetrical MTRs and increased price competition
- Strong mobile data revenue growth of 50% YoY driven by 4G/LTE launch
- EBITDA margin decreased 6 pp YoY due to decline in voice revenues partially offset by cost efficiencies



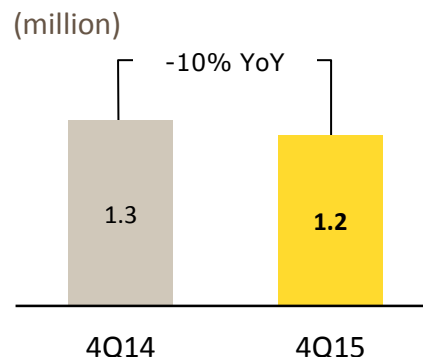
Tajikistan: outperformed a challenging market

USD MILLION, UNLESS STATED OTHERWISE

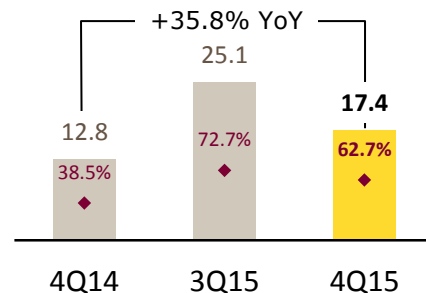
Service revenue



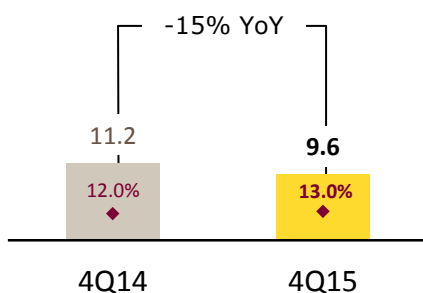
Mobile customers



EBITDA and EBITDA margin



CAPEX excl. licenses and LTM CAPEX/revenue

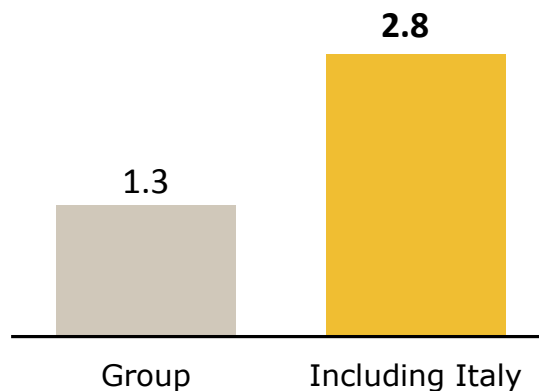


- Environment remains challenging with increasing competition and currency headwinds
- Continued improvements in network quality
- Service revenue decreased 17% due to lower incoming international traffic due to fewer migrants living abroad
- EBITDA grew 36% YoY due to lower international and local interconnect costs

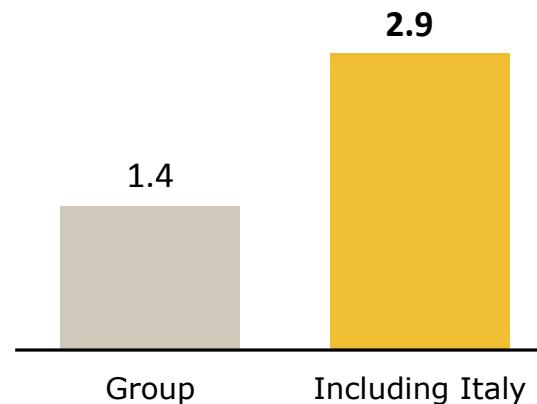


Reduced net debt offset by FOREX impact on EBITDA

Net debt / EBITDA¹
(September 30, 2015)



Net debt / EBITDA¹
(December 31, 2015)

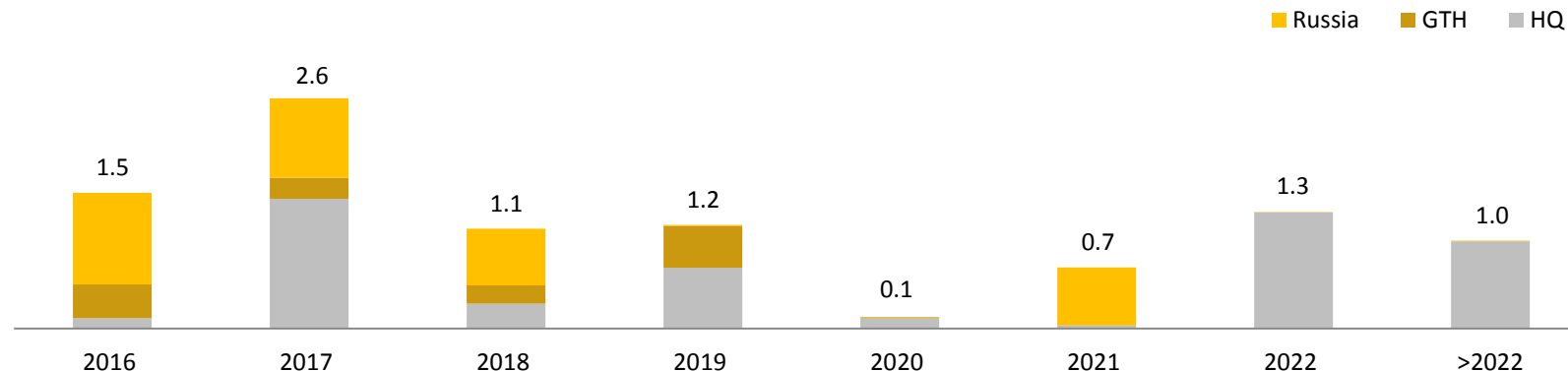


¹ Underlying EBITDA

Debt maturity schedule

As at 31 December 2015, in USD billion

Group debt maturity schedule by Business Units



Group debt maturity schedule by currency¹

	2016	2017	2018	2019	2020	2021	2022	>2022	
USD	0.7	1.5	0.6	1.0	0.1	0.7	1.3	1.0	72%
RUB	0.5	0.9	0.3	0.0	0.0	0.0	0.0	0.0	18%
Other	0.4	0.2	0.2	0.2	0.0	0.0	0.0	0.0	10%

Debt by entity

As at 31 December 2015, USD million

Outstanding debt (millions)		Type of debt/lender				
Entity	Bonds	Loans	RCF	Vendor Financing	Other	Total
VimpelCom Holdings B.V.	3,347	-	-	-	-	3,347
VimpelCom Amsterdam B.V.	-	1,000	-	638	-	1,638
PJSC VimpelCom	2,229	832	-	114	41	3,216
Pakistan Mobile Communications Limited	75	309	-	-	-	384
Banglalink Digital Communications Ltd.	300	85	-	-	19	404
Omnium Telecom Algeria S.p.A.	-	514	-	-	0	514
KaR-Tel LLP	-	12	-	-	-	12
Others	-	19	-	9	0	29
Total	5,952	2,771	-	761	60	9,544

4Q15 cash flow statement

USD million	4Q15	4Q14	YoY
EBITDA	793	1,074	(281)
Changes in working capital and other	(62)	122	(184)
Net interest paid	(120)	(172)	52
Income tax paid	(126)	(108)	(18)
Net operating cash flow from discontinued operations	422	482	(60)
Net cash from operating activities	907	1,398	(491)
Net investing cash flow from continued operations	(674)	(580)	(94)
Net investing cash flow from discontinued operations	(275)	(326)	51
Net cash used in investing activities	(949)	(906)	(43)
Net financing cash flow from continued operations	(97)	368	(465)
Net financing cash flow from discontinued operations	(3)	(109)	106
Net cash flow from financing activities	(100)	259	(359)
Net (decrease)/increase in cash and cash equivalents	(142)	752	(894)

2015 cash flow statement

USD million	FY15	FY14	YoY
EBITDA	2,857	5,560	(2,703)
Changes in working capital and other	(324)	451	(775)
Net interest paid	(758)	(956)	198
Income tax paid	(671)	(442)	(229)
Net operating cash flow from discontinued operations	929	666	263
Net cash from operating activities	2,033	5,279	(3,246)
Net investing cash flow from continued operations	(2,494)	(2,993)	499
Net investing cash flow from discontinued operations	(140)	(984)	844
Net cash used in investing activities	(2,634)	(3,977)	1,343
Net financing cash flow from continued operations	(732)	2,007	(2,739)
Net financing cash flow from discontinued operations	(707)	(678)	(29)
Net cash flow from financing activities	(1,439)	1,329	(2,768)
Net (decrease)/increase in cash and cash equivalents	(2,040)	2,631	(4,671)

FOREX development

Rates of functional currency to USD

	Average rates			Average rates				Closing rates		
	4Q15	4Q14	YoY	FY16 Targets	FY15	FY14	YoY	4Q15	3Q15	QoQ
Russian Ruble	65.94	47.42	39.0%	70.00	60.96	38.42	58.7%	72.88	66.24	10.0%
Euro	0.91	0.80	14.1%	0.88	0.90	0.75	19.5%	0.92	0.89	2.9%
Algerian Dinar	106.81	85.11	25.5%	100.00	100.37	80.61	24.5%	107.10	106.21	0.8%
Pakistan Rupee	104.94	101.89	3.0%	105.00	102.75	101.03	1.7%	104.73	104.46	0.3%
Bangladeshi Taka	78.46	77.52	1.2%	79.00	77.96	77.55	0.5%	78.25	77.78	0.6%
Ukrainian Hryvnia	22.85	14.43	58.3%	25.00	21.83	11.91	83.3%	24.00	21.53	11.5%
Kazakh Tenge	300.44	181.39	65.6%	350.00	222.25	179.12	24.1%	339.47	270.40	25.5%
Uzbekistan Som	2,712.0	2,393.5	13.3%	2,840.0	2,568.7	2,311.5	11.1%	2,810.0	2,621.0	7.2%
Armenian Dram	478.50	430.64	11.1%	480.00	477.82	415.75	14.9%	483.75	473.71	2.1%
Kyrgyz Som	72.25	56.99	26.8%	70.00	64.48	53.66	20.2%	75.90	68.84	10.3%
Georgian Lari	2.40	1.81	32.8%	2.25	2.27	1.77	28.6%	2.39	2.38	0.6%

Reconciliation of EBITDA

USD mln

Unaudited

EBITDA

	4Q15	4Q14	FY15	FY14
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)
EBIT	148	(536)	506	1,873
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)
EBT	(100)	(933)	(613)	375
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)
Profit for the year attributable to the owners of the parent	21	(890)	(691)	(647)

Reconciliation of consolidated net debt

Reconciliation of 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	0	3	259
Derivatives designated as hedges	5	2	89
Total other financial liabilities	9,788	9,932	27,124