



VEON

FY 2017 results and business update

London, 22 February 2018

Disclaimer



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As of 7 November 2016, VEON Ltd. owns a 50% share of the Italy Joint Venture (with CK Hutchison owning the other 50%) and we account for this JV using the equity method as we do not have control. All information related to the Italy Joint Venture is the sole responsibility of the Italy Joint Venture’s management, and no information contained herein, including, but not limited to, the Italy Joint Venture’s financial and industry data, has been prepared by or on behalf of, or approved by, our management. As a result of this, we do not provide any reconciliations for non-IFRS measures for the Wind Tre Joint Venture. For further information on the Italy Joint Venture and its accounting treatment, see “Item 5—Operating and Financial Review and Prospects—Key Developments and Trends—Italy Joint Venture” “Explanatory Note—Accounting Treatment of our Historical WIND Business and the new Italy Joint Venture” and Note 6 to our audited consolidated financial statements included in our Annual Report on Form 20-F for the year ended 31 December 2016.

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

Agenda



Opening

Richard James - Head of IR

2017 Achievements & 2018 strategic priorities

Jean-Yves Charlier - CEO

Financial results and targets

Trond Westlie - CFO

BREAK - 20 MINUTES

Russia Update

Kjell Johnsen – Head of Major Markets

Italy update

Jeffrey Hedberg - CEO Italy JV

Final remarks

Jean-Yves Charlier - CEO

Q&A - 40 MINUTES

REFRESHMENTS

FY 2017: good results leading to US 28 cents total dividend



- Total revenue increased by 6.6% YoY; 1.9% YoY organic growth
- Mobile data revenue increased by 30.2% YoY; 25.7% YoY organic growth
- Reported EBITDA increased 11.0% YoY to USD 3,587 million (7.5% YoY organic growth), benefiting from revenue growth, exceptional cost reduction from a one-off adjustment to a vendor agreement in Q3 2017 and less transformation costs in 2017
- Underlying EBITDA margin organically decreased 0.9 p.p. YoY due to a margin decrease in Russia, Algeria and Bangladesh
- Capex excl. licenses decreased by 8.4% YoY, resulting in 15.4% capex to revenue, closer to 15%
- FY 2017 underlying equity free cash flow excluding licenses increased to USD 1,067 million
- Final dividend of US 17 cents, totaling FY 2017 dividends to US 28 cents

TOTAL
REVENUE
(USD BILLION)

9.5

+1.9% organic¹ YoY
+6.6% reported YoY

UNDERLYING
EBITDA MARGIN²
(%)

38.8%

- 0.9 p.p. organic¹ YoY
- 1.5 p.p. reported YoY

CAPEX EXCL.
LICENSES
(USD BILLION)

1.5

-8.4% reported YoY
LTM capex/revenue: 15.4%

UNDERLYING
EQUITY FREE
CASH FLOW
EXCLUDING
LICENSES³
(USD BILLION)

1.1

¹ Revenue and EBITDA organic growth are non-IFRS financial measures that exclude the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions

² Underlying EBITDA excludes exceptional items in Q4 2016 consisting of performance transformation costs of USD 66 million and other exceptional items of USD 61 million, totalling USD 127 million. Exceptional items in Q4 2017 consists of performance transformation costs of USD 58 million and other exceptional items of USD 3 million, totalling USD 61 million

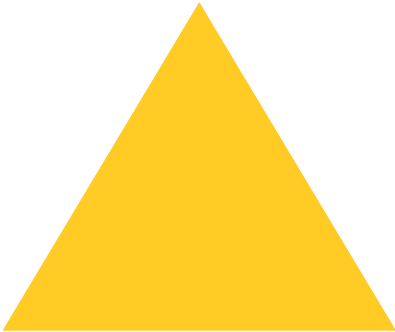
³ Underlying equity free cash flow excluding licenses is defined as free cash flow from operating activities less free cash flow used in investing activities, excluding M&A transactions, transformation costs, inflow/outflow of deposits, financial assets and other one-off items

Strategic framework to transform VEON

A large, light gray downward-pointing triangle.

Revitalize

Delivering robust underlying equity free cash flow growth, to underpin sustainable and progressive dividends

A solid yellow upward-pointing triangle.A large, dark gray downward-pointing triangle.

Reinvent

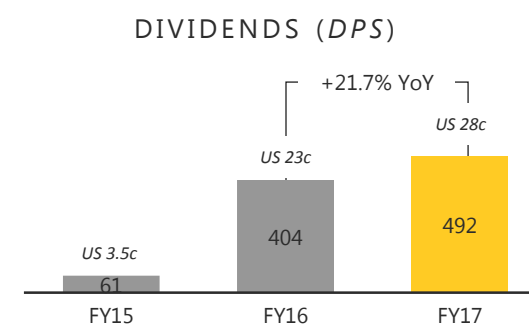
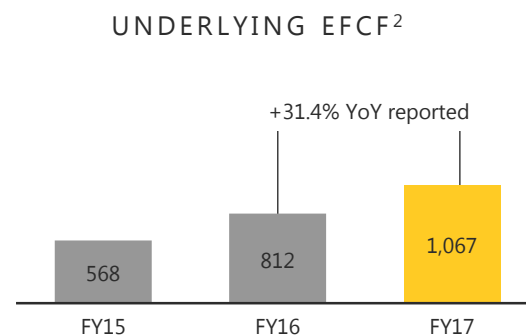
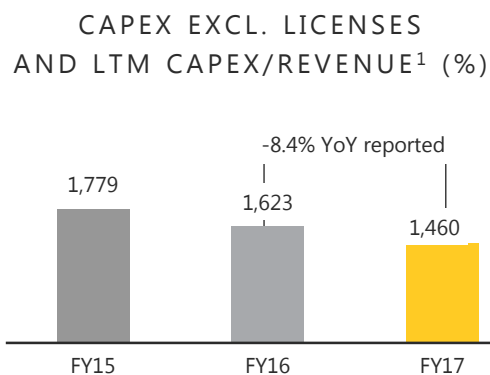
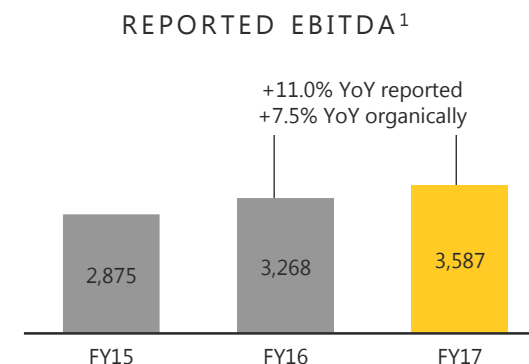
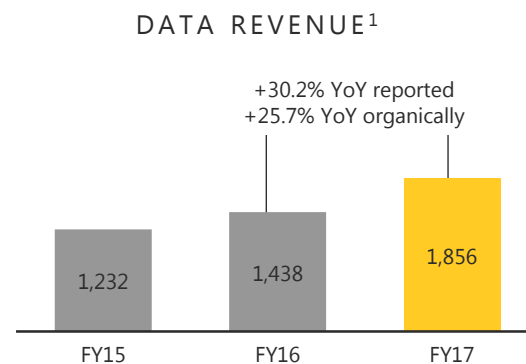
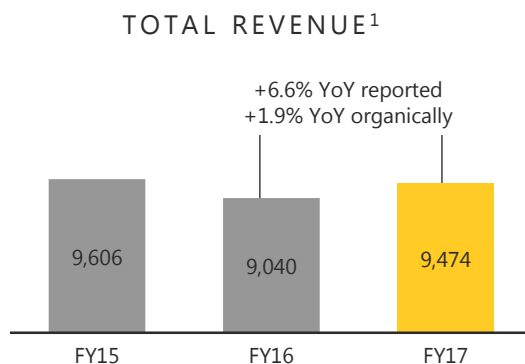
**REVITALIZING OUR BUSINESS TO
ACHIEVE WORLD CLASS STANDARDS**

**REINVENTING A GLOBAL
COMMUNICATIONS PIONEER**

Strategic framework delivering solid growth in underlying equity free cash flow and dividends



USD MILLION



¹ FY 2016 results assume full year consolidation of Warid

² Underlying equity free cash flow excluding licenses is defined as free cash flow from operating activities less free cash flow used in investing activities, excluding M&A transactions, transformation costs, inflow/outflow of deposits, financial assets and other one-off items. In 2015 the reported UEFCF was USD 40 million. Due to change of definition, the Underlying Equity Free Cash Flow was adjusted accordingly

Revitalizing our business: significant progress in 2017



WORLD CLASS OPERATIONS

- Substantial increase in free float to 29.2% and dual listing on Euronext Amsterdam
- Capital structure improvements and Wind Tre successful refinancing
- Strong corporate governance with appointment of Ursula Burns as chairman and with majority of unaffiliated directors
- Continued strengthening of the compliance and control environment



CONSOLIDATING OUR PORTFOLIO & CREATING AN ASSET LIGHT MODEL

- GTH share buy back and mandatory cash tender offer
- Agreement to sell Pakistan tower business for USD 940 million
- Transaction to upstream USD 200 million of cash from Uzbekistan following currency liberalization
- Disposal of non-strategic assets; Laos



ACCELERATING GROWTH SEGMENTS

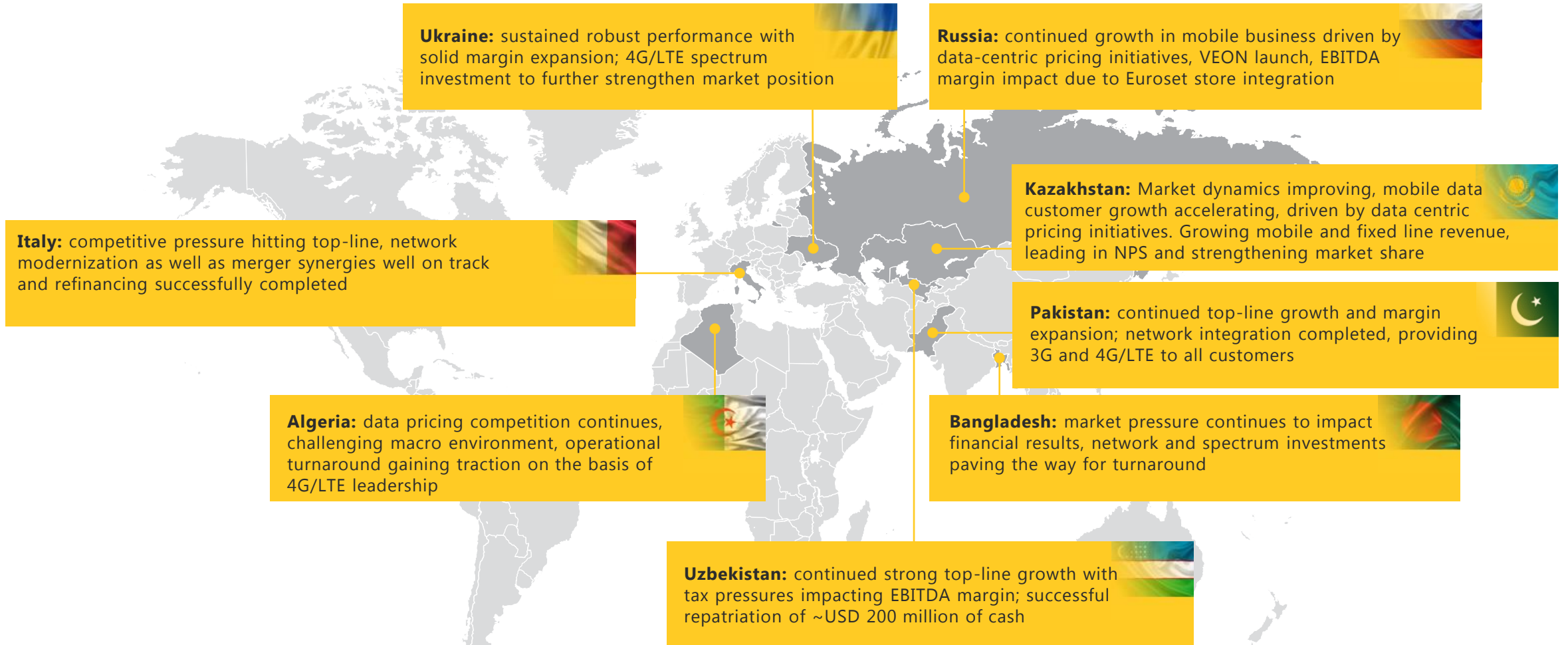
- Mobile data revenue organic growth of 25.7% year on year
- B2B revenue organic growth of 3.9% year on year
- FMC revenue organic growth of 265% year on year
- Consolidation of monobrand strategy in Russia with Euroset transaction
- Forthcoming 4G/LTE launches in Ukraine and Bangladesh and stronger spectrum portfolios in Bangladesh, Pakistan and Ukraine
- Turnaround plans in Algeria and Bangladesh



TRANSFORMING THE COST BASE

- Successful capex reduction program, with a capex ratio reduced to 15.4% in 2017 (2014: 21.0%; 2015: 18.5%; 2016: 17.9%)
- Reduction in cost base funding the new digital initiatives
- Consolidation of purchasing on a global basis
- Consolidation of wholesale services on a global basis into a new division (VEON Wholesale Services)

Portfolio update



Algeria

Strategic plan to turnaround the business in difficult macro-economic environment and complex regulatory framework



REGULATORY

- Creating a level playing field for Djezzy
- Last major regulatory issue with MTR symmetry – partial symmetry since November 2017
- Need to create a modern regulatory framework including network sharing



NETWORK & SPECTRUM

- Challenge to build a leading network reflecting Djezzy's strong market position now complete
- 3G network coverage above 75% of population
- Leading 4G/LTE network with over 25% population coverage



COMMERCIAL

- New simplified offers and data monetization initiatives in place, fixing past commercial challenges and re-energizing the brand
- Roll-out of 52 new flagship stores in 2017, increasing the monobrand footprint by 50%
- Strong focus on B2B resulting in 7% YoY growth



MANAGEMENT

- Strong management team now in place led by Matthieu Galvani
- All key executive positions in place
- Reduced on average 6 management layers leading to a much more agile and efficient organization



COST

- Performance transformation initiatives have allowed for EBITDA underlying margin to remain solid at 47.5% in FY 2017 (46.7% in Q4)
- Workforce reduced by 25% since 2015 (from 4,000 to 3,000 FTEs)
- New digital IT infrastructure outsourced to Ericsson in 2018



DIGITAL

- Djezzy selfcare app reached #1 downloaded app position on Play Store in Algeria with a 4.1 rating
- DMP platform launched in 2017
- New DBSS platform to be launched in April 2018 which is expected to bring simplification, agility, time to market, competitive speed and better customer service

Bangladesh

Strategic plan to turnaround the #3 player



REGULATORY

- Need to create a modern regulatory framework, including network sharing and tower disposals
- Regulatory framework to address the dominant market position



NETWORK & SPECTRUM

- Addressing the network quality and performance issues through significant investments and upgrades
- Strengthened the spectrum portfolio by acquiring 5 Mhz in 2100 band and 5.6 MHz in the 1800 band, doubling capacity on 3G and launching 4G/LTE in 2018; total investments ~USD 345 million¹



COMMERCIAL

- Positioning Banglalink as the digital attacker brand
- Launched new simplified offers and value proposition
- Specific regional sub-strategies
- Revamped distribution network with 50% more points of sale



MANAGEMENT

- Strong management team in place led by Erik Aas
- All key executive positions in place
- Agile organization, with several management layers eliminated



COST

- Performance transformation initiatives enabled underlying EBITDA margin to remain at 40.7% in FY 2017 (35.8% in Q4)
- Workforce reduced by 47% since 2016



DIGITAL

- DMP platform launched in 2017
- DBSS launch planned for end of 2018
- Significant focus on self care app and customer experience

¹ Including ~USD 308.6 million for the spectrum, ~USD 35.0 million to convert the existing spectrum to technology neutral and ~USD 1.2 million to acquire the 4G/LTE license

Update on the GTH Mandatory Tender Offer



The GTH Mandatory Tender Offer remains subject to approval by the Egyptian Authorities



VEON has taken all actions required for such approval and the matter is currently held up in connection with disputed GTH taxes



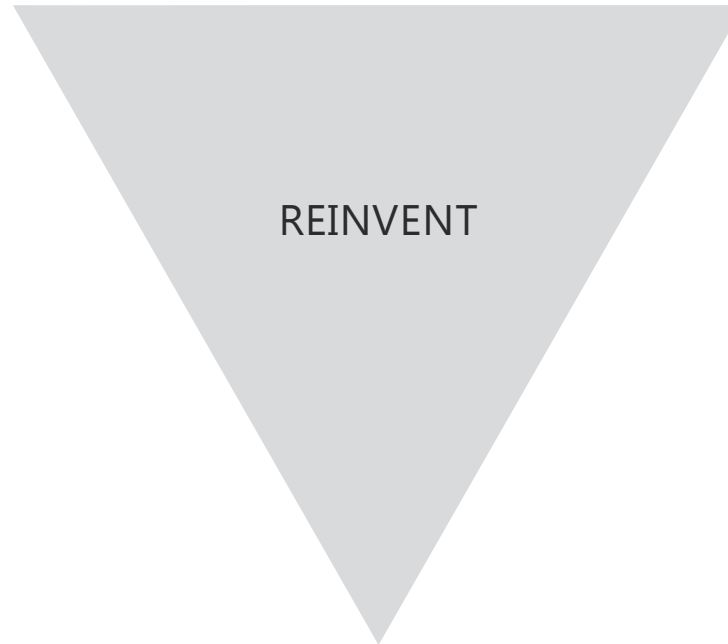
Our desire is to find a path forward with the Egyptian Authorities and we are considering all options

VEON is fully committed to its digital transformation agenda



STRATEGIC OBJECTIVES

1. Transforming the brick & mortar to a digital business model from the customer touch points to the back-end systems
2. Developing new digital services through an integrated messaging and marketplace platform



STRATEGIC INITIATIVES

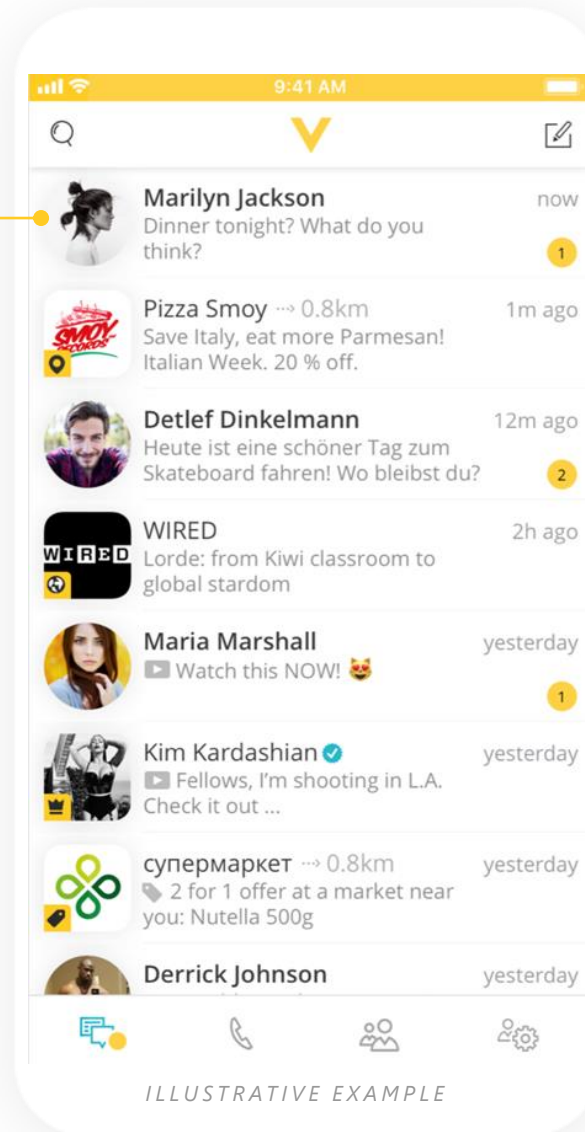
1. VEON engagement platform
2. Data management platform (DMP)
3. Digital Business Support System (DBSS)
4. Enterprise Support System (ESS)
5. Network virtualization

VEON platform strategy



MESSAGING

- **Re-engage** with users
- Counter cannibalization in core communication services by OTTs
- **Differentiate** with content, offers, and "free"



MARKETPLACE

- **Monetize** with partners (global brands, small businesses/ local, influencers/ celebrities) through "official accounts"

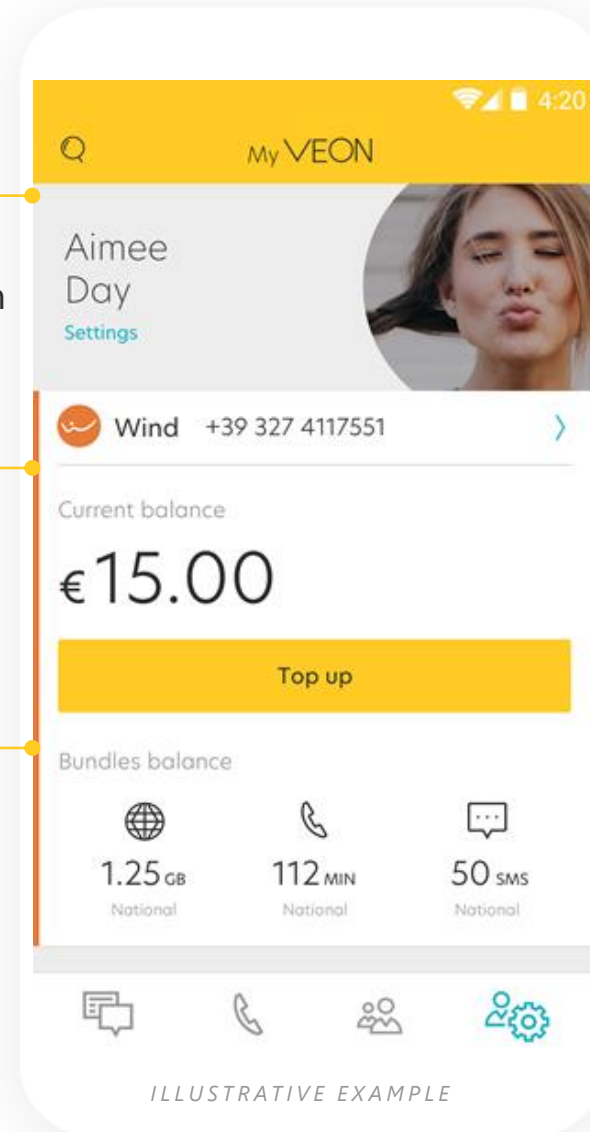
VEON highlights 2017



2.7 million downloads
in Pakistan in less than
90 days

Messaging in
Georgia

In-App offers in
Russia



8.3 million downloads

Over 3 million
Monthly Active Users

Content & In-App
offers in Pakistan

> 200 PARTNERSHIPS SIGNED



fashiontv



gettyimages



KICCA MEDIA



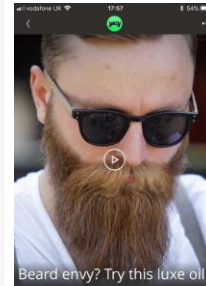
DEEZER



Red Bull



yeay



120 Content Partnerships



97 Offer Partnerships



28 Payment Partnerships



Terms with over **100 new** partners agreed

epicurious



GQ



storyful.



VOGUE



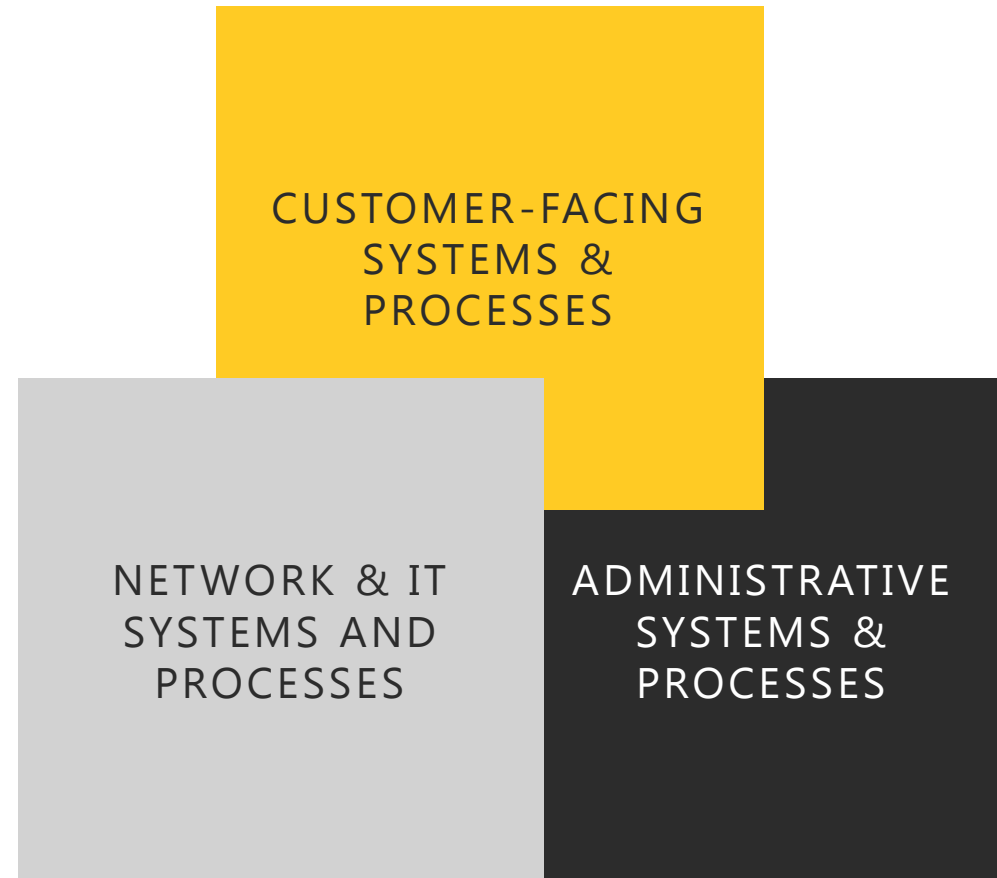
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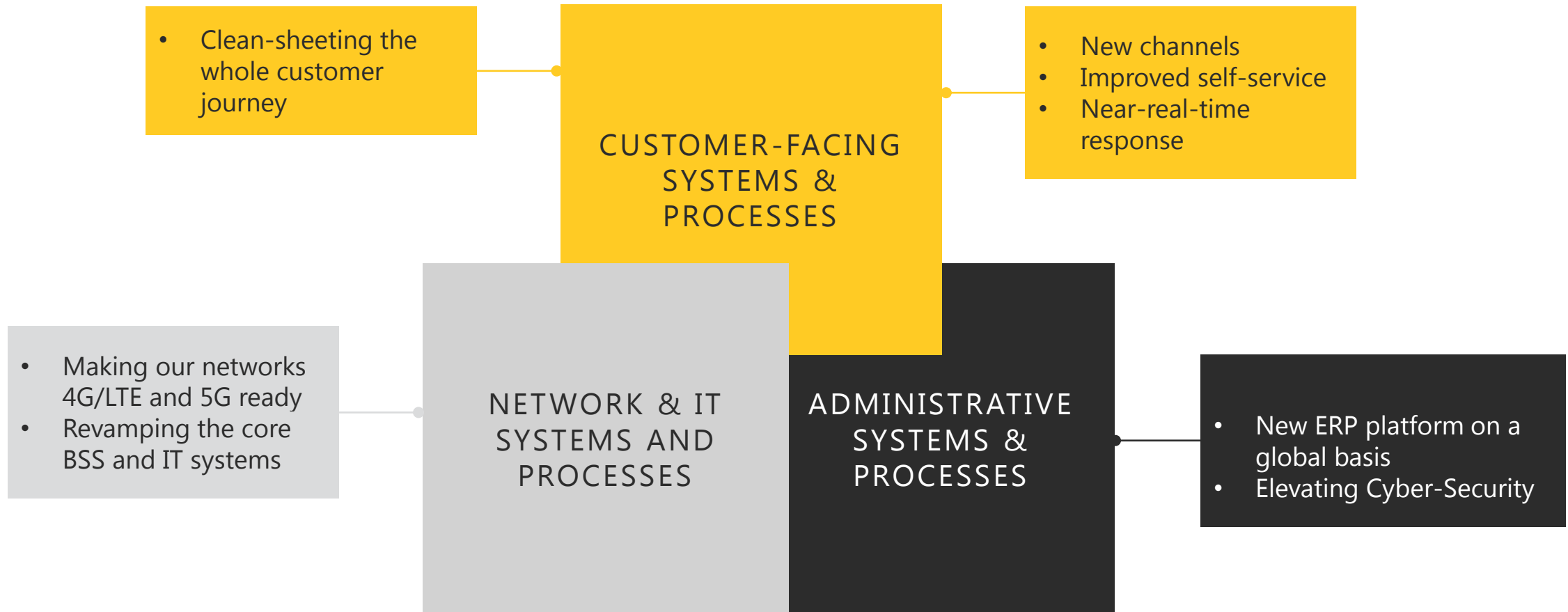
WIRED



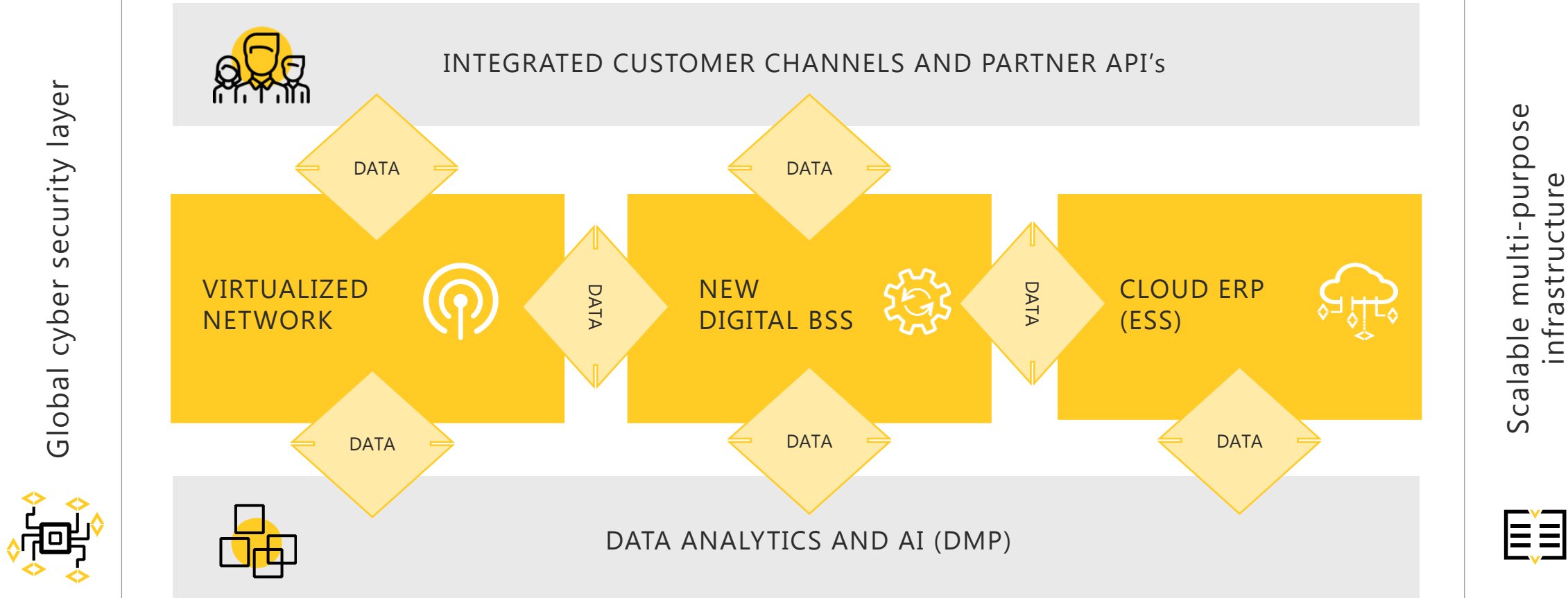
Digitizing the core in a systematic and innovative manner



Digitizing the core: focusing on both customer-facing & core systems



VEON's technology initiatives are tightly interlinked



VEON's data analytics and AI (DMP)



KEY OBJECTIVES

- Introduce data-driven decision making in every business process
- Elevate 360-degree customer insights to world-class standards
- Drive financial results through customer and network analytics



EXPECTED IMPACT

- Greater customer personalization resulting in better customer engagement and satisfaction
- Ideal platform to leverage partnership strategy for the VEON platform through quality of data insights
- Establishing 1% EBITDA impact in mid-term
- Raising operational efficiency (e.g., retail profitability) to the next level
- Optimizing the skill footprint by creating specialist Hubs



INITIAL MILESTONES & RESULTS

- Smart CAPEX planning introduced in major markets
- DMP platforms implemented in all operations, and Hubs created in Pakistan, Russia and Ukraine
- Over USD 200 million of incremental revenue generated through personalized offers¹

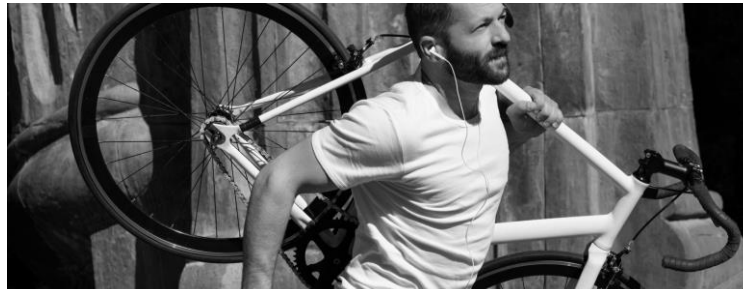
¹Additional revenue generated in 2017

VEON's new digital BSS (DBSS)



KEY OBJECTIVES

- Making core IT infrastructure internet-friendly to compete in the new age
- Reduce time-to-market and drive simplification of the business model
- Overcome structural issues in legacy IT architecture and fundamentally reduce costs
- Use one standard model across our markets



EXPECTED IMPACT

- Reduce BSS costs from >2% to 1% of revenue
- Provide for a far better customer experience with new digital self-service tools
- Opening new channels to customers
- Making real-time customer products possible



INITIAL MILESTONES & RESULTS

- Ericsson implementation on track
- Georgia was the first market successfully launched on new DBSS in January 2018
- Algeria, Ukraine, and Bangladesh to go live next in 2018

Zoom-in on Georgia: our first market on new DBSS



PROJECT

- Full implementation covering all business lines was completed in a record 8 months
- No disruption to the operations during the customer migration
- Dramatically simplified architecture from 27 fragmented IT systems to 1 pre-integrated stack



RESULTS ACHIEVED

- BSS IT costs reduced from 1.9% to 1% of revenue
- World-class self-service applications: almost everything can be done online, including full e-shop and e-care offerings
- Real-time product offerings launched
- Tariff structure extremely simplified
- Complex B2B offerings can be now changed within 1 day and tariff changes can be done instantly
- Simplified product offerings, reduced tariffs and services by 49%

VEON core network virtualization



KEY OBJECTIVES

- Decouple Hardware and Software to improve agility
- Reduce incremental spend on capacity through efficient pooling
- Prepare for 5G and IOT across our footprint



EXPECTED IMPACT

- Long-term savings in capex and opex compared to legacy
- Greater agility in the implementation of new services to customers
- 4G/LTE and 5G evolution readiness in our markets



INITIAL MILESTONES & RESULTS

- Virtual EPC (Virtualized Evolved Packed Core Network) tender TCO was a factor of 5x less than legacy TCO
- Virtualization applications launched: vMessaging, vSDM (virtualized Subscriber Data Management), vIMS (virtualized IP Multimedia Subsystem), and vEPC (virtualized Evolved Packed Core network)

¹ Virtualized Evolved Packed Core Network

2018 key strategic priorities



- 1 Turnaround of Algeria and Bangladesh
- 2 Defend market position and accelerate synergies in Italy
- 3 Integration of Euroset stores in Russia
- 4 Further address the cost structure, particularly the corporate costs
- 5 Accelerate the implementation of the digital agenda
- 6 Unlock the GTH Mandatory Tender Offer

Agenda



Opening

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2017 Achievements & 2018 strategic priorities

Jean-Yves Charlier - CEO

Financial results and targets

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Russia Update

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Italy update

Jeffrey Hedberg - CEO Italy JV

Final remarks

Jean-Yves Charlier - CEO

Q&A - 40 MINUTES

REFRESHMENTS

Reflections on VEON



- 1 Company restructuring executed, capital structure improved
- 2 Governance, controls and compliance strengthened
- 3 GTH Mandatory Tender Offer still pending
- 4 Cash flow significantly improved in the last two years
- 5 Focus on general and corporate costs optimization

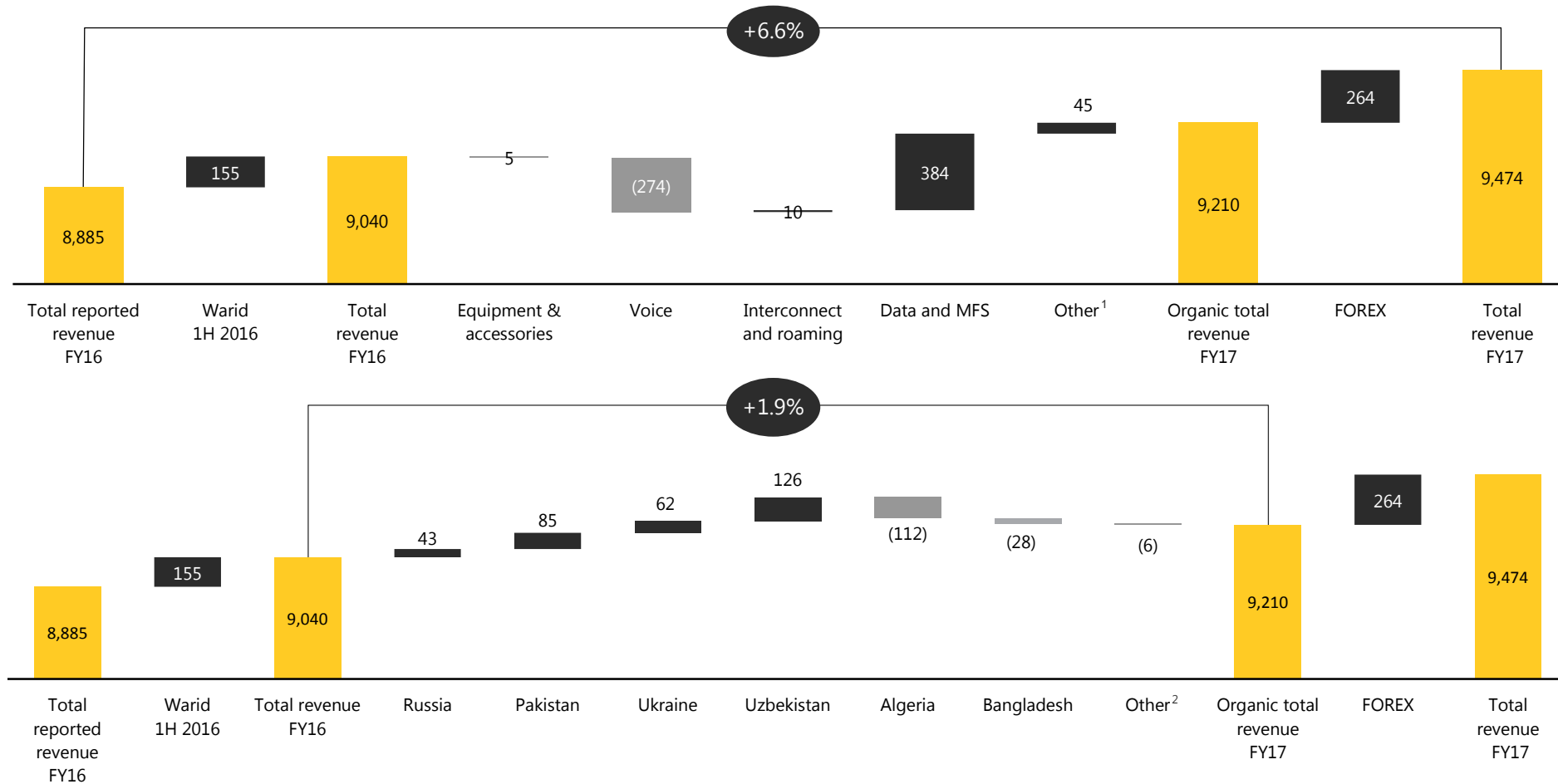
We are in a mature industry, we have a digital agenda,
striving for continuous improvement of the underlying operations

Revenue evolution

Organic growth in data revenue is the key driver



USD MILLION



¹ Other also includes intercompany eliminations

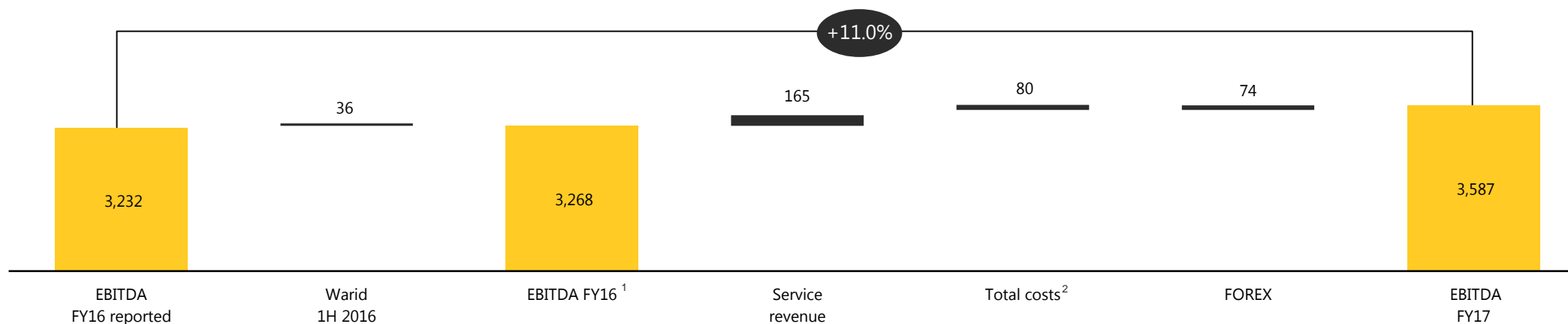
² Other mainly includes the results of Kazakhstan, Kyrgyzstan, Georgia, Armenia, Tajikistan and intercompany eliminations

Note: Total revenue 2016 consider 12 months of Warid

EBITDA evolution

EBITDA growth supported by revenue

USD MILLION



¹ Includes 12 months Warid for FY 2016

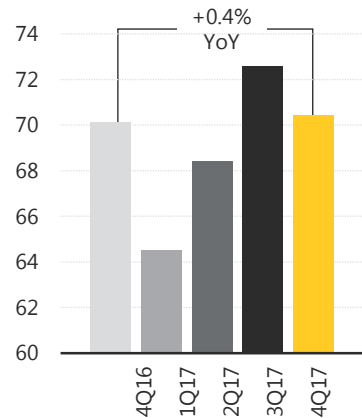
² FY 2017 total costs includes exceptional items consisting of USD 88 million, resulting from exceptional cost reduction of USD 106 million from a one-off adjustment to a vendor agreement, offset by costs of USD 194 million related to the performance transformation costs and other legal costs

Revenue and EBITDA country trends

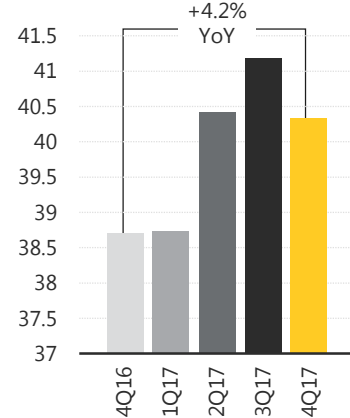


Revenue

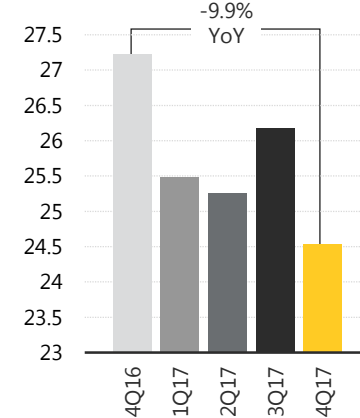
RUSSIA
(RUB BILLION)



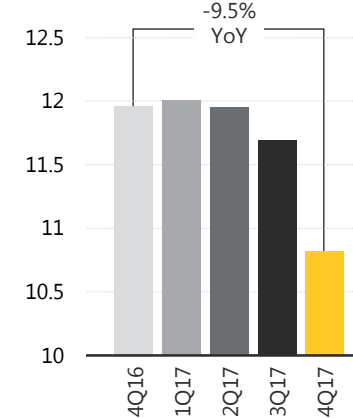
PAKISTAN
(PKR BILLION)



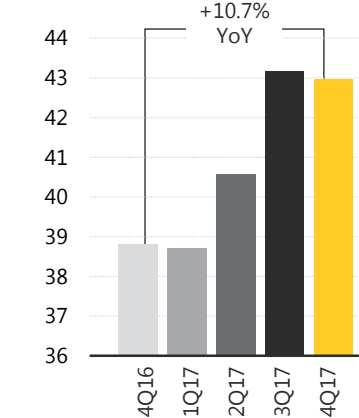
ALGERIA
(DZD BILLION)



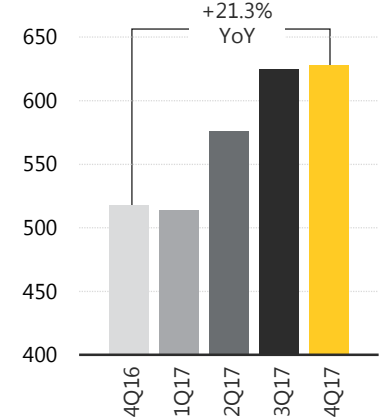
BANGLADESH
(BDT BILLION)



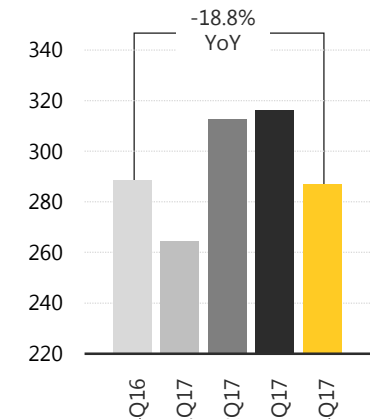
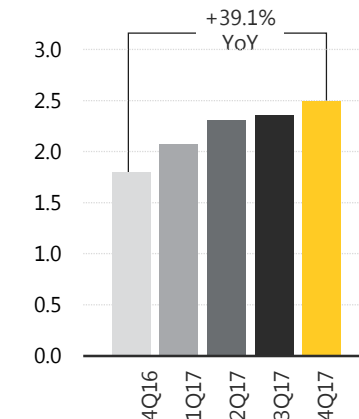
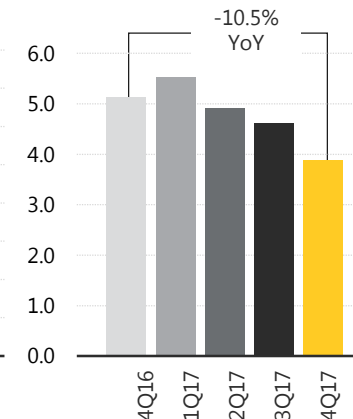
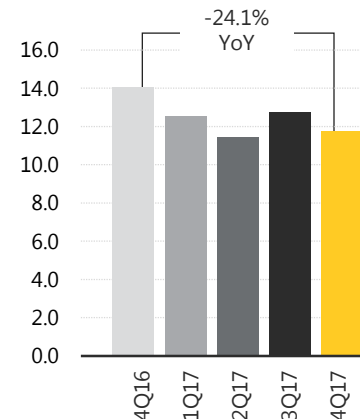
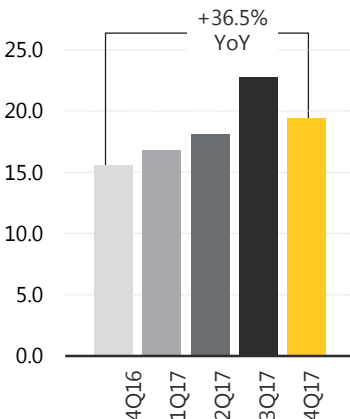
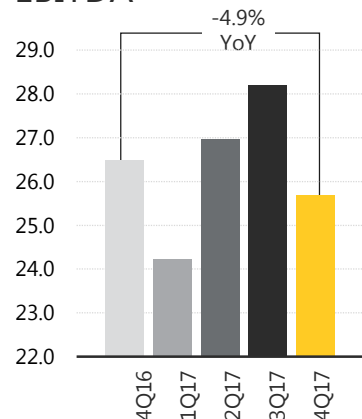
UKRAINE
(UAH BILLION)



UZBEKISTAN
(UZS BILLION)



EBITDA



Corporate costs



- In FY 2017, VEON HQ costs amounted to USD 431 million¹, increased by 2.5% YoY
 - ▶ HQ Amsterdam and London
 - ▶ Costs for digital
 - ▶ Costs for services and projects (e.g. M&A, legal costs, ESS², global procurement)

We're addressing the corporate cost base and aiming for a reduction of ~20% YoY in FY 2018

¹ HQ EBITDA excluding the exceptional cost reduction from a one-off adjustment to a vendor agreement (USD 106 million)

² ESS: Enterprise Support System

Q4 2017 income statement



USD MILLION

	4Q17	4Q16	Reported YoY	Organic ¹ YoY
Revenue	2,320	2,354	(1.4%)	1.2%
Service revenue	2,214	2,244	(1.3%)	1.5%
EBITDA	753	783	(3.8%)	0.4%
Depreciation, amortization and other	(542)	(692)	(21.7%)	
Operating Profit	211	91	131.9%	
Net financial income and expenses	(237)	(196)	20.7%	
Net FOREX and other gains	(103)	38	n.m.	
Share of loss from joint ventures and associates	(156)	77	n.m.	
Impairment of JV and associates	-	(99)	n.m.	
Loss before tax	(285)	(89)	n.m.	
Tax	(93)	(269)	n.m.	
Loss from continued operations	(378)	(359)	n.m.	
Profit from discontinued operations	-	1,904	n.m.	
Net profit attributable to VEON shareholders	(325)	1,557	n.m.	

- ▶ Operating profit increased, as Q4 2017 was impacted by a lower level of impairments
- ▶ The increase in financial expenses in Q4 2017 is the result of the revaluation of the put option liability for Warid transaction in Pakistan (USD 38 million)
- ▶ Net FOREX and other gains of USD 103 million are driven by FOREX losses in HQ and Russia and a FOREX loss of USD 49 million related to the currency conversion in Uzbekistan
- ▶ Loss driven by VEON's 50% share of loss of the Wind Tre joint venture, impacted by accelerated depreciation in respect of network modernization, amounting to USD 68 million, and loss of USD 70 million of costs arising from early redemption of debt as part of the refinancing
- ▶ Income tax expense decreased mainly due to the utilization of tax assets and the FOREX devaluation in Uzbekistan, as well as lower taxable profit in Russia, Algeria and Bangladesh
- ▶ Prior to the Wind Tre joint venture closing in November 2016, WIND had been accounted for as a discontinued operation and classified as held for sale under IFRS rules since Q3 2015. As a result of the completion of the Italy joint venture transaction, the Q4 2016 results were positively impacted by a non-cash gain. The "discontinued operations" accounting treatment was not applied in 2017 following the closing of the Wind Tre joint venture transaction.

¹ Organic variation excludes the effect of foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions; in the organic calculation.

IFRS 9 & 15: expected impact for VEON



IFRS 9

- The scope of IFRS 9 includes new guidance to classify financial instruments on the balance sheet
- VEON will need to introduce the concept of Expected Credit Loss ("ECL"), where an allowance for doubtful debt is required for all debt-like instruments including unbilled receivables. VEON estimates the additional debt allowance to amount to USD 20 million pre-tax (i.e. one-off charge to retained earnings in 2018)
- In Italy (equity investment of VEON), the additional bad debt provision is preliminarily estimated at USD 96m on 100% basis (i.e. USD 48 million VEON's share that will be recorded as a reduction of the investment value in 2018)

IFRS 15

- The scope of IFRS 15 includes the timing of revenue recognition and costs of obtaining contracts with customers
- Contract costs are now required to be capitalized and amortized over the average customer life
- VEON will apply IFRS 15 for the first time in the 2018 financial statements, using the modified retrospective approach
- No material impact is expected in the accounting for revenues or costs, based on existing product and service offerings
- VEON estimates the additional asset stemming from capitalization of contract costs to amount to USD 95 million pre-tax as at 1 January 2018 (i.e. one-off gain to retained earnings in 2018)

The Group is in the process of assessing the impact of IFRS 16

Cash flow reconciliation table



USD MILLION

	FY2015	FY2016	FY2017	YoY	
EBITDA	2,875	3,232	3,587	11%	
Changes in working capital	- 157	- 249	199	-179%	
Movement in provisions	- 185	- 645	- 119	-82%	
Net interest paid-received	- 758	- 726	- 745	3%	
Income tax paid	- 671	- 420	- 445	6%	
Cash flow from operating activities (excl. discontinued operations)	1,104	1,192	2,474	107%	
Capex excl.licenses	- 1,779	- 1,593	- 1,460	-8%	
Working capital related to Capex excl. licenses	-204	107	-218	-149%	
Proceeds from sale of PPE	18	15	8	-47%	
Equity Free Cash Flow	- 868	- 278	804	n.m.	A
Purchase of licenses	- 224	- 165	- 359	118%	
Other investing activities ¹	- 305	- 386	- 987	156%	
Cash flow before financing	- 1,390	- 830	- 542	-35%	
Exceptional cash flow items	1,436	1,091	263	-76%	B
Underlying Equity Free Cash flow²	568	812	1,067	31%	A+B

¹ Other investing activities consist of outflow/inflow from loan granted, inflow/outflow from financial assets, inflow/outflow from deposits, acquisition of a subsidiary, net of cash acquired, and proceeds from sales of share in subsidiaries, net of cash as presented in Cash Flow Statement

² Underlying equity free cash flow excluding licenses is defined as free cash flow from operating activities less free cash flow used in investing activities, excluding M&A transactions, transformation costs, inflow/outflow of deposits, financial assets and other one-off items

Cash upstream developments



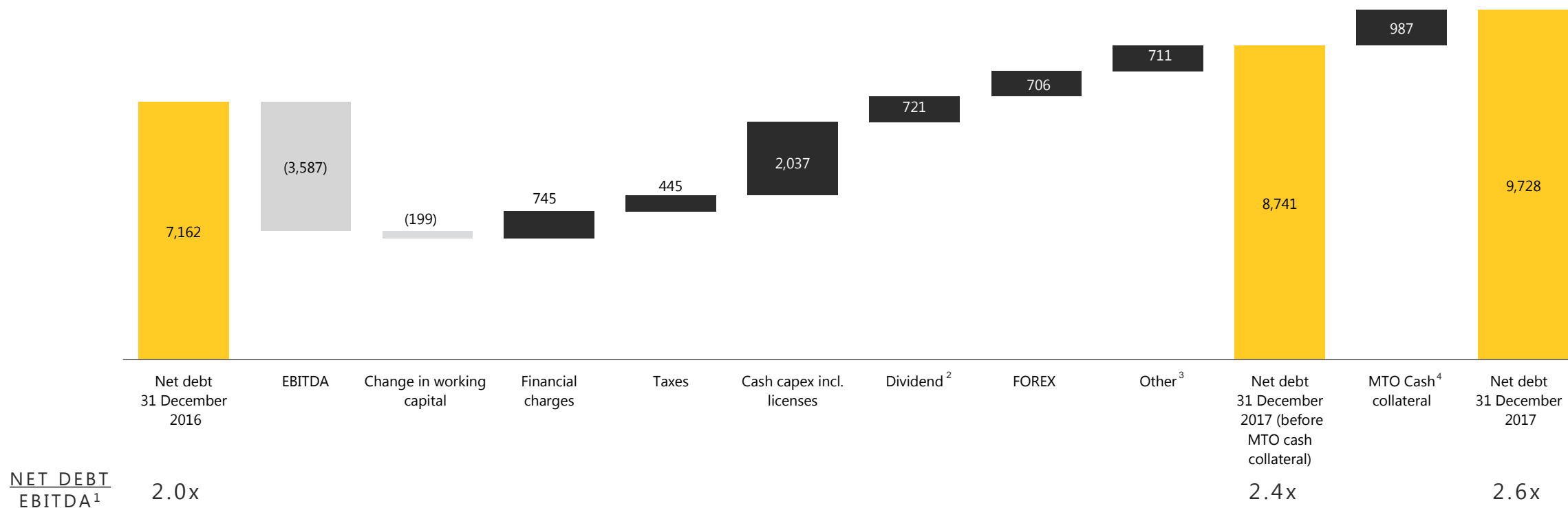
- VEON had structural constraints in upstreaming cash flow from its operations
 - ▶ Ukraine cash upstream capped by Central Bank of Ukraine
 - ▶ Uzbekistan currency restrictions prohibited any cash upstream
 - ▶ GTH structure

- Improvements during the last 12 months
 - ▶ In Ukraine the cap increased over time, and VEON is now able to upstream an amount close to its annual profits
 - ▶ Uzbekistan cash upstream capability was unlocked since December 2017, after currency liberalization in September 2017
 - ▶ Kazakhstan & Kyrgyzstan voluntary restrictions removed
- MTO for GTH launched

FY 2017 net debt evolution



USD MILLION



¹ 2017 underlying EBITDA excludes exceptional items of USD 88 million

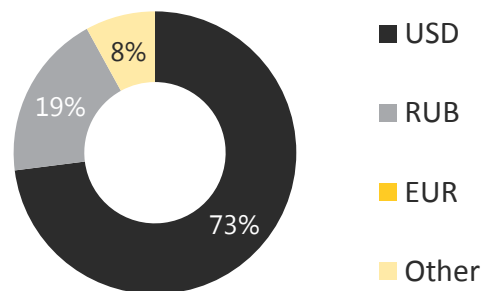
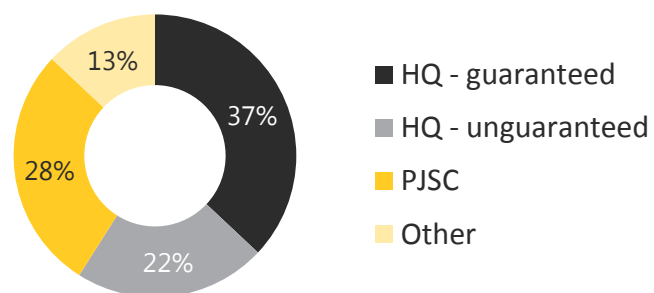
² Dividends paid consist of dividends paid to equity holders of USD 518 million and dividends paid to non-controlling interests of USD 202 million

³ Other consist of GTH share buy back of USD 257 million, movements in provisions of USD 119 million, outflows from other financial assets of USD 99 million, fees paid for borrowings of USD 56 million and other of USD 169 million

⁴ Net debt includes cash balances of USD 987 million pledged as collateral for the Mandatory Tender Offer. Excluding this, net debt would have been USD 9,728 million and the net debt ratio would have been 2.6x

Rebalanced capital structure

YEAR-END 2016

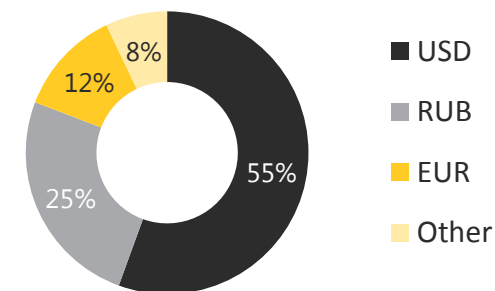
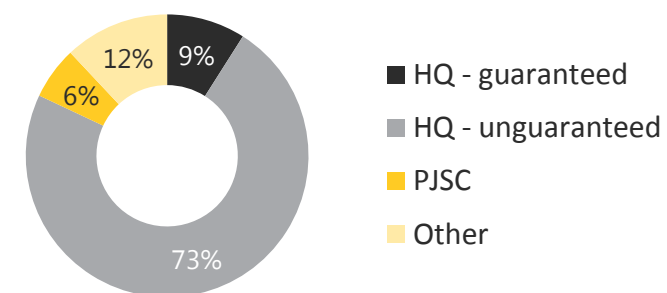


Average cost of debt: 7.3%
Average maturity: 2.3 years

Reduction
of priority
debt

Improved
currency
mix¹

YEAR-END 2017



Average cost of debt: 6.6%
Average maturity: 3.3 years

¹ 2017 after taking into account currency swaps

FY 2017 targets



USD MILLION UNLESS OTHERWISE STATED	FY 2016	FY 2017 targets ¹	FY 2017 actuals
Total revenue	9,040	Low single digit growth	+1.9% organic YoY
Underlying EBITDA margin	40.0%	Flat to low single digit accretion	(0.9 p.p.) organic YoY
Underlying equity free cash flow excluding licenses ²	812	850 - 950	1,067

¹FY 2017 targets after Uzbekistan currency regime adjustment are based on pro-forma results for 2016, including 12 months of Warid contribution; organic targets for revenue and underlying EBITDA margin are at constant currency, excluding exceptional items, e.g. transformation costs and M&A. Underlying equity free cash flow excluding licenses is calculated at the target exchange rates for 2017

² Underlying equity free cash flow excluding licenses is defined as free cash flow from operating activities less free cash flow used in investing activities, excluding M&A transactions, transformation costs, inflow/outflow of deposits, financial assets and other one-off items. Underlying equity free cash flow excluding licenses is calculated on the basis of the average exchange rates for 2016 and 2017 and targets rates for 2017. Please see appendix for 2017 actual exchange rates.

FY 2018 targets



USD MILLION
UNLESS OTHERWISE STATED

	FY 2017 actual	Δ (impacts from UZB currency, Deodar, Euroset, one-off adjustment to a vendor agreement)	FY 2017 pro-forma	FY 2018 targets ²
Total revenue	9,474	~(120)	~9,350	Flat-to-low single digit organic growth
EBITDA	3,587	~(380)	~3,200	Flat-to-low single digit organic growth
Equity free cash flow ¹	804	~(335)	~470	USD ~1 billion

¹ Equity free cash flow is defined as free cash flow from operating activities less cash flow for net capex, excluding capex for licenses; see appendix for reconciliation table

² FY 2018 revenue and EBITDA targets calculated on organic basis. Organic growth reflects changes in revenue and EBITDA excluding foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions and other exceptional items. Major exceptional items currently known are the impact from the Uzbekistan currency liberalization, the Pakistan tower transaction (Deodar), the Euroset transaction and the one-off adjustment to a vendor agreement.

Final dividend and dividend policy



For the financial year ended 31 December 2017, the Company intends to pay a dividend in the aggregate amount of US 28 cents per share comprised of USD 11 cents per share paid as an interim dividend in September 2017 and US 17 cents per share as a final dividend to be paid in March 2018¹



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

¹ The record date for the Company's shareholders entitled to receive the final dividend payment has been set as 5 March 2018; payment date 13 March 2018

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Richard James - Head of IR

2017 Achievements & 2018 strategic priorities

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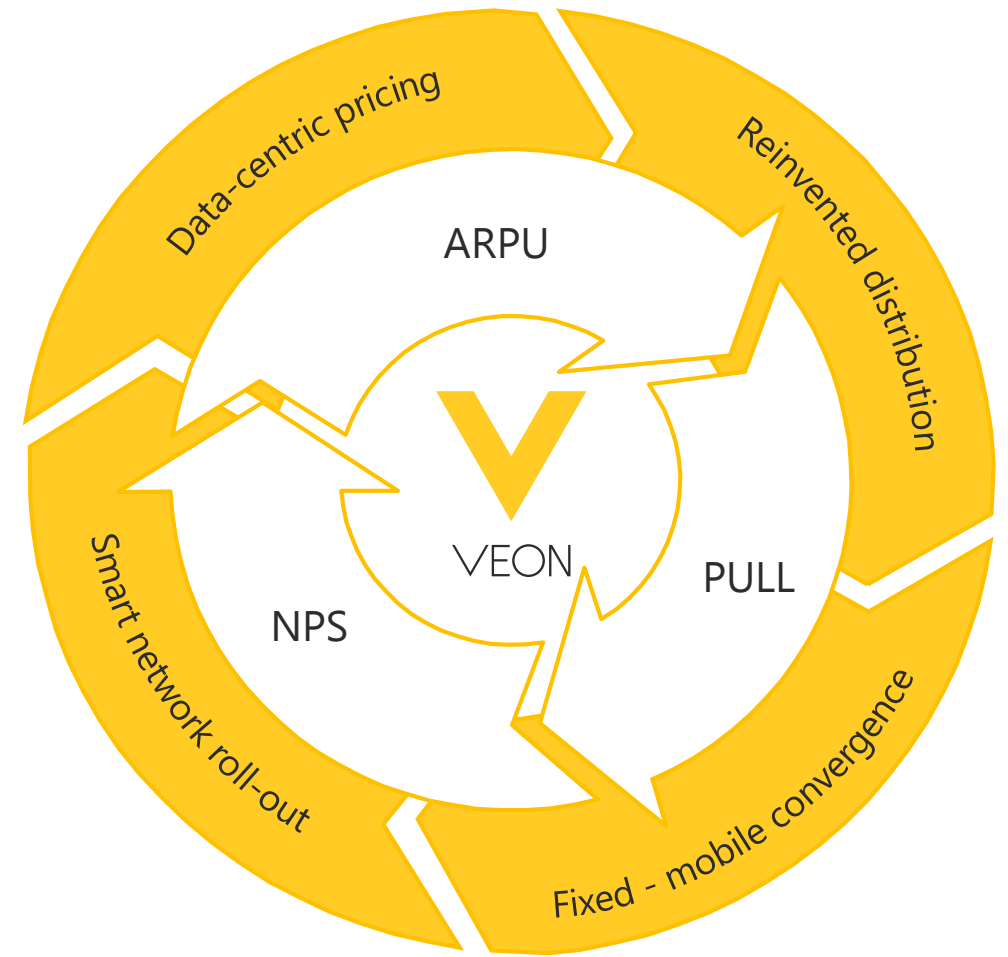
Q&A - 40 MINUTES

REFRESHMENTS

Russia's strategic priorities



- Focus on ARPU and value through data centric pricing
- Expanding our controlled distribution channel
- Fixed-line business turnaround
- Major improvement in network expansion, by smart investing
- Moving to digital self-care solution, Beeline becoming a leading digital operator

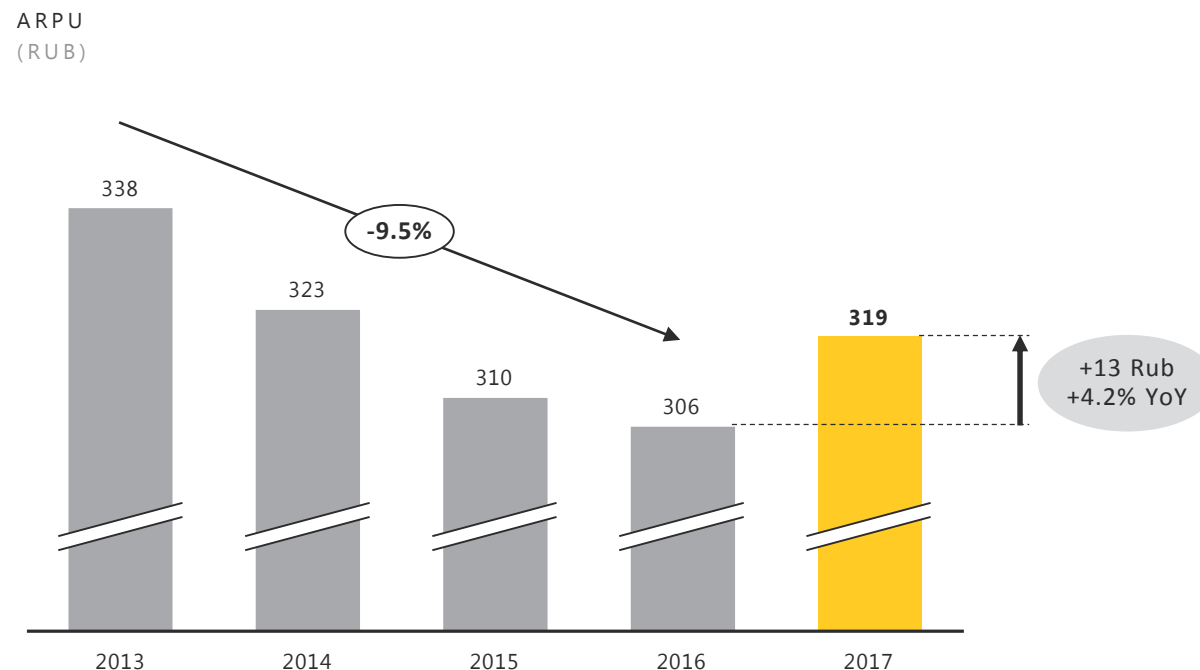


Mobile revenue turnaround



Drivers of mobile ARPU turnaround:

- Improved customer quality
 - ▶ High end ARPU customer base (RUB 500+) increased 4% YoY
 - ▶ Continued solid growth of mobile data customers (+5% YoY) and traffic (+39% YoY)
- Focus on data centric price plans
 - ▶ Cancellation unlimited data tariff plans in 2017
 - ▶ 63% of customers on bundled tariff plan, up 16% YoY, representing 78% of mobile revenue
 - ▶ > 12 million customers use bundled tariff plan introduced in April 2017



Fixed-line business turnaround: back to growth



10x

FOOTPRINT EXPANSION PACE

- Connect 5,000 new buildings in 2018, 11,000 in 2019 (vs 1,100 in 2017)
- Cover additional 5,000 buildings by FVNO
- Connect 100 new business centers in 2018
- Double fixed-line capex in 2018 vs 2017



QUALITY IMPROVEMENT

- Modernization of 200+ MEN rings
- 35% wholesale capacity increase
- Increase network speed



SUPERIOR OFFERING

- Focus on FMC: 870K customers at YE 2017, target > 1 million in 2018
- Digital household ecosystem development, TV content, family offer and others
- Time-to-market improving solutions (PmP, WTTx)

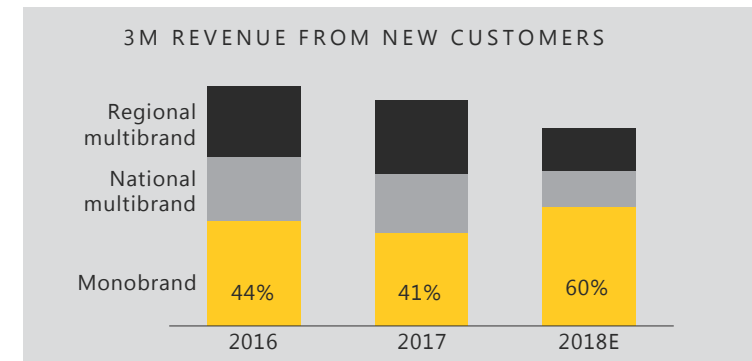
Expanding our controlled distribution channel



VEON and MegaFon agreed to end their Euroset joint venture



Integrate and rebrand acquired stores to Beeline monobrand stores



Increasing the share of controlled distribution channels

- Shift focus from customer acquisition to customer retention
- Significant gross sales reduction in 2018
- New incentive scheme for retail staff
- Stop "sales washing machine", improve churn, lifetime, and customer value

- FY 2018 EBITDA negatively impacted by ~RUB 3.0 billion, due to integration and rebranding costs
- Positive immediate effect on revenue and from 2019 onwards on EBITDA driven by device sales acceleration and channel-mix improvement

- Beeline already rebranded ~200 Euroset stores into Beeline monobrand stores in Q4 2017
- Rebranding 1,600 Euroset stores expected to be complete in Q2 2018, resulting in ~3,100 own Beeline monobrand stores
- Expected number of Beeline monobrand and franchise stores of ~5,500 in medium term
- Next stage: substitute physical stores with digital distribution

Smart investing



PRIORITIZE CORE CUSTOMERS

- Use big data analytics to identify and locate our active core customers
- Prioritize network expansion within small geographical units
- Investments driven by customer needs
- Focus on delivering high speed mobile internet and video streaming to core customers



EFFICIENT ROLL OUT

- Capex optimization through network sharing
- Strong, globalized procurement process
- Well positioned in 800MHz and 1800Mhz bandwidth
- No overinvestments, 15% capex to revenue ratio sustainable



RESULTS

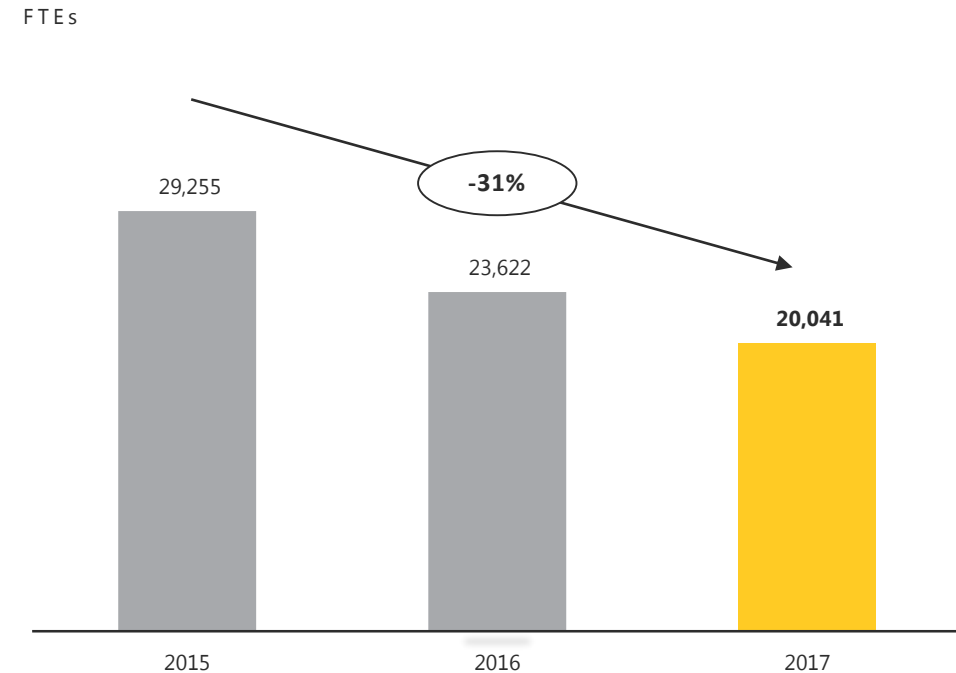
- Doubled roll out of base stations YoY in 2017
- 63% 4G/LTE population coverage, on par with competition
- Network customer satisfaction on par with competition
- High speed mobile internet and video streaming will be available for >70% of our core customers in 2018

Control addressable costs



Drivers of mobile ARPU turnaround:

- > 30% FTE reduction since 2015 through digitization and increased efficiencies, changing the profile of the organization
 - ▶ Project Phoenix (managed services) brought ~2,900 FTE reduction in 2017
 - ▶ By the end of 2018 around 72% of FTE will be customer facing
- Interconnect balance halved year-on-year in H2 2017, despite growing bundle penetration



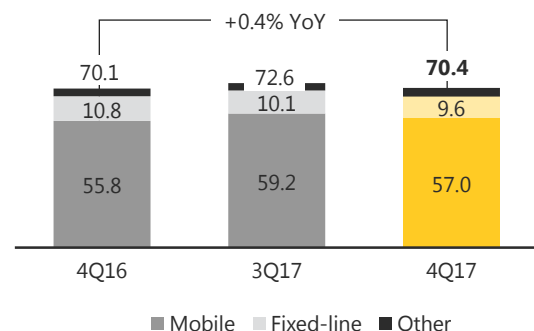
Addressable costs increased ~2% in FY 2017 and expected to be flat to slightly down YoY in 2018¹

¹ Excluding Euroset integration

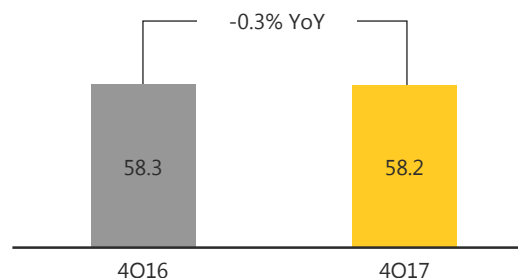
Russia: continued growth in mobile business



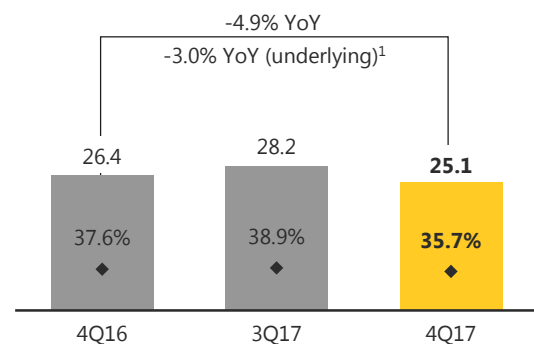
TOTAL REVENUE
(RUB BILLION)



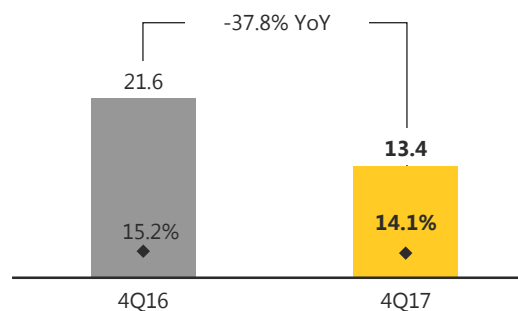
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(RUB BILLION AND %)



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



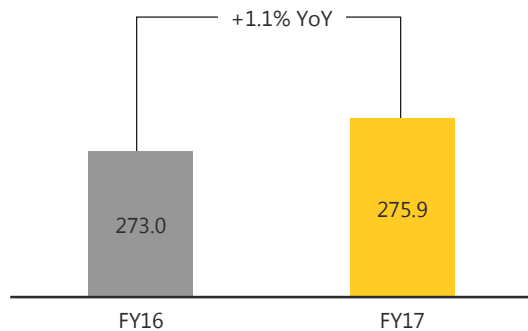
- Mobile service revenue increased by 2.1% YoY, mainly driven by 8.9% mobile data revenue growth
 - ▶ Mobile ARPU grew by 2.0% YoY
- Fixed-line service revenue decreased by 11.4% YoY, due to negative FOREX effect, impact of increased FMC penetration, competition and a decrease in transit traffic
- Underlying EBITDA decreased 3.0% mainly due to costs for the VEON personal internet platform roll-out and increased G&A and HR costs
- Capex excluding licenses decreased YoY in Q4 2017 as a result of more linear phasing compared to back-end loaded capex in FY 2016

¹ Q4 2016 EBITDA negatively impacted by performance transformation costs of RUB 86m. Q4 2017 EBITDA negatively impacted by performance transformation costs of RUB 158m, the impact of the switch from OIBDA to EBITDA of RUB 165 million and Euroset rebranding and integration costs of RUB 266 million

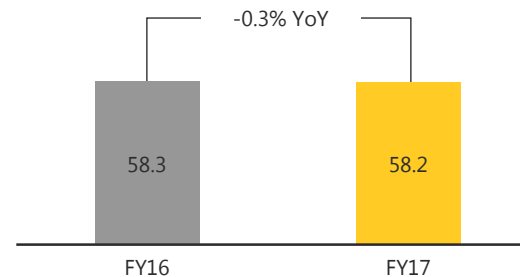
FY 2017 back to revenue growth



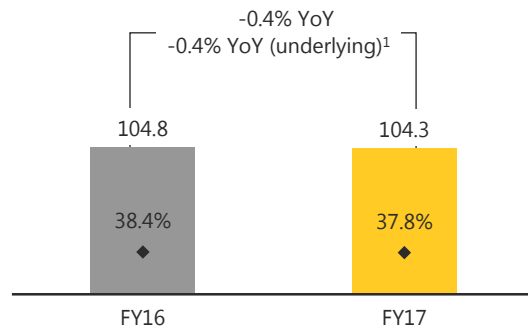
TOTAL REVENUE
(RUB BILLION)



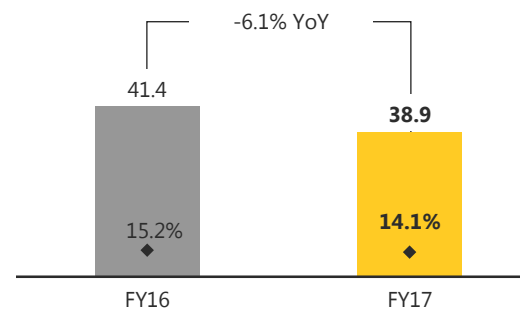
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(RUB BILLION AND %)



CAPEX EXCL. LICENSES
AND CAPEX/REVENUE
(RUB BILLION AND %)

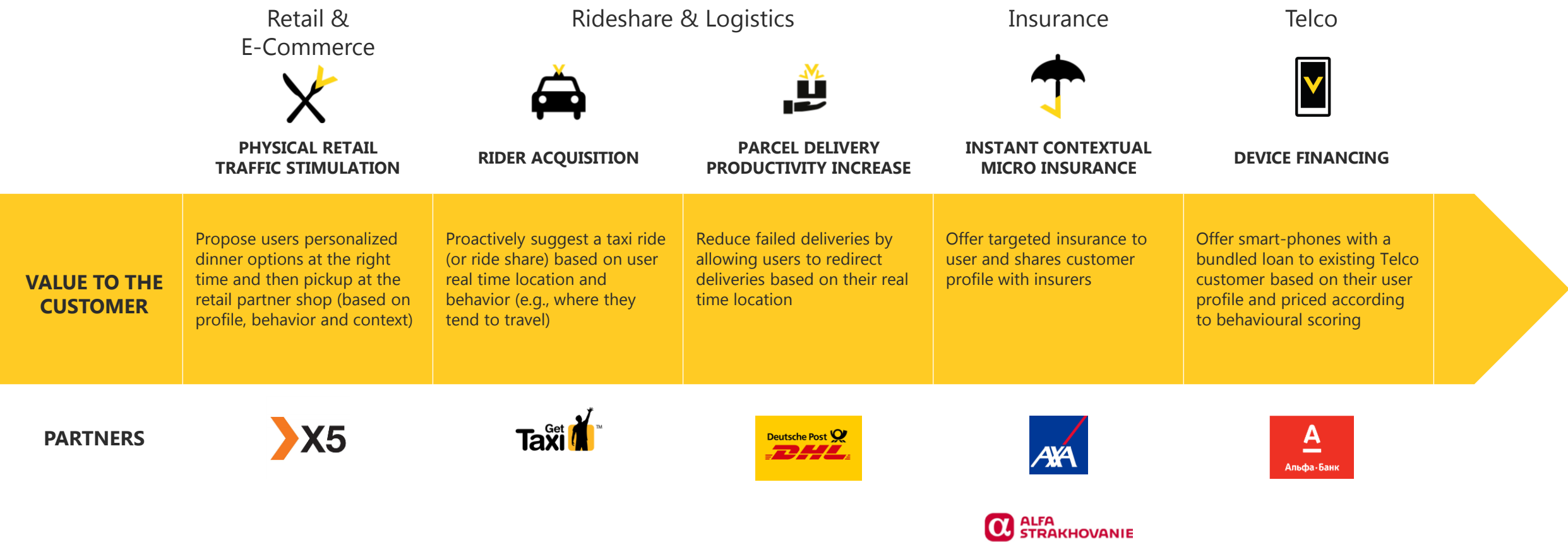


¹ FY 2016 EBITDA negatively impacted by performance transformation costs of RUB 696 million. FY 2017 EBITDA negatively impacted by performance transformation costs of RUB 266 million, the impact of the switch from OIBDA to EBITDA of RUB 165 million and Euroset rebranding and integration costs of RUB 266 million and other of RUB 59 million

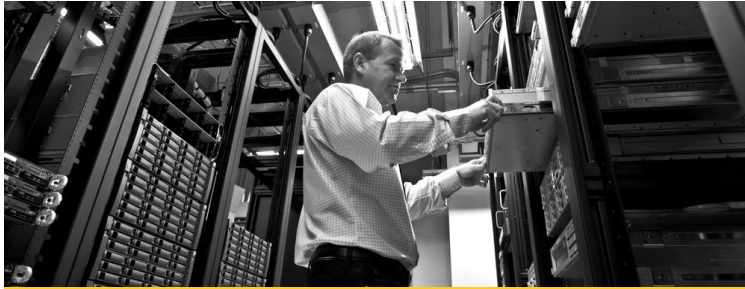
Beeline becoming a leading digital operator



Five priority use cases for VEON personal internet platform



Regulatory update



YAROVAYA LAW

- The proposed date (01.07.2018) for the law to come into force is likely to be rescheduled. The Government is yet to approve a number of supporting rulings, which is expected by the end of Q1 2018



NATIONAL & ON-NET ROAMING

- National roaming prices decreased and differences between "home region" and "travel" roaming prices within Russia eliminated
- "On-net" roaming price decrease is still being discussed



SPECTRUM

- Proposed Russian Federation budget for 2018-2020 assumes increased income from spectrum allocation. Operators await spectrum fees increase and/or possible 4G/LTE & 5G spectrum auctions

Strong management team



- Kjell Johnsen is VEON's Head of Major Markets, with responsibility for the Group's businesses in Russia and Italy. From September 2016 to December 2017, Kjell was the Chief Executive Officer of Beeline
- Vasyl Latsanych (former Group Vice President for Strategy and Marketing MTS) appointed Chief Executive Officer of Beeline from January 2018
- Fabrizio Mambrini (former Chief Financial Officer of Beeline) appointed as CFO of Major Markets
- Andrey Larkin (former member of the Management Board of PJSC Ingosstrakh) appointed as Chief Financial Officer of Beeline from January 2018



Kjell Johnsen

VEON Head of Major Markets



Vasyl Latsanych

Chief Executive Officer Russia



Fabrizio Mambrini

VEON CFO of Major Markets



Andrey Larkin

Chief Financial Officer Russia

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REFRESHMENTS

Wind Tre 2017: a deeper look at the market



CONSUMER MOBILE

- Highly competitive mobile market ahead of the new entrant
- Fierce underground attack ("below-the-line" offers) with aggressive pricing and highly generous data allowances

~**+20%¹ MNPs** vs. 2016
linked to intense underground activities

~**-19%² in Price / Gb** vs. 2016



CONSUMER FIXED

- In fixed, high promotional intensity to accelerate customers migration to fiber

~**15-30%** discount offered by several players on first months of Fiber offering

Fiber pricing similar to ADSL



BUSINESS

- Intense competitive pressure in mobile (both SMEs and Large Enterprises)

Aggressive underground campaigns through consumer-like offers (**30-50%** discount) driving MNPs increase



REGULATION

- Regulatory changes on international roaming negatively impacting the whole industry
- GSM license renewal & re-farming paid to Government impacting cash flow of MNOs in Italy

~**EUR -30 million** revenue impact of roaming for Wind Tre (all players impacted)

~**EUR -435 million** FCF impact of GSM license re-farming for Wind Tre (all MNOs impacted)

Wind Tre 2017: investing for the future



SHIFT TO VALUE

- Shift of focus from volume to value, even if it entails negative short term financial impacts
 - ▶ Retention efforts initiated through high-value customers tying programs and channels incentives revamp
 - ▶ Bad debt reduction through more selective customer scoring

EUR -83 million CPE sales vs. 2016 mainly driven by more selective customer scoring



RESTORING CONFIDENCE

- Elimination of major drivers of distrust, with a short term negative revenue impact
 - ▶ Simplification of VAS policy, increasing customer level of control
 - ▶ Harmonization of extra-bundle charges

~+13pts NPS for our "3" customers acquired in 2017 vs. rest of customer base



FIXING OPERATIONS

- Modernizing the network, now generating 50% of root causes of detractor for Wind Tre
- Starting our integration: many manual interventions required, impacting customer experience

Leading network in consolidated cities¹
60+ IT Systems consolidated



REFINANCING

- Refinancing completed

EUR 270 million annual run-rate interest savings

¹ P3 test (3rd party network test) performed in Q4 2017

Wind Tre financial highlights FY 2017 vs FY 2016 combined



Mobile TLC revenue

Total	vs 2016	vs Q4 2016
EUR 4.2 billion	-4.3%	-8.1%



Fixed TLC revenue

Total	vs 2016	vs Q4 2016
EUR 1.1 billion	+0.2%	-2.5%

TOTAL
REVENUE
(EUR BILLION)

6.2

-4.5% vs 2016
-11.1% vs Q4 2016

EBITDA
MARGIN,
UNDERLYING¹
(%)

35.8%

+200bps vs 2016
+310bps vs Q4 2016

EBITDA¹
(EUR BILLION)

2.2

+1.2% underlying vs 2016
-3.1% underlying vs Q4 2016

OPERATING
CASH FLOW
(EBITDA¹ –
CAPEX)
EUR BILLION

1.0

-5.8% vs 2016

LEVERAGE
RATIO²
(FY 2017)

4.4x

FY 2016: 4.2x³

¹ 2017 Underlying EBITDA net of approximately EUR 266 million of one-off integration costs. 2016 Underlying EBITDA net off approximately EUR 60 million of one-off integration costs. 4Q 2017 Underlying EBITDA net of approximately EUR 66 million of one-off integration costs. 4Q 2016 Underlying EBITDA net off approximately EUR 60 million of one-off integration costs.

² Net debt/EBITDA calculated on Underlying EBITDA; net debt excluding approx. EUR 128 million related to backbone rights of way of TERNIA

³ FY 2017 Net debt and leverage increase due to overall refinancing costs occurred in 4Q as a consequence of the refinancing of the entire company's capital structure

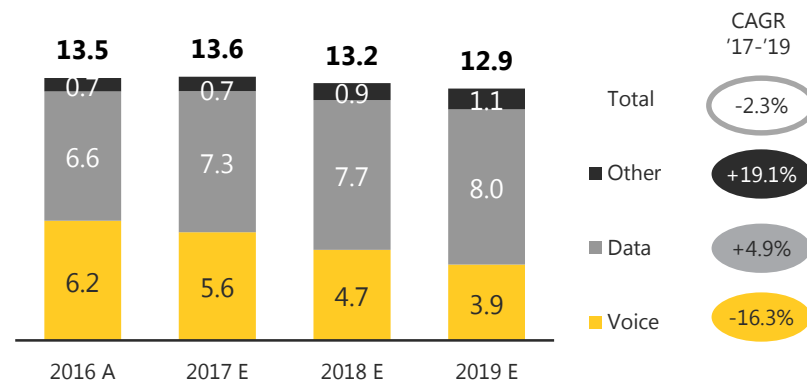
Mobile market outlook



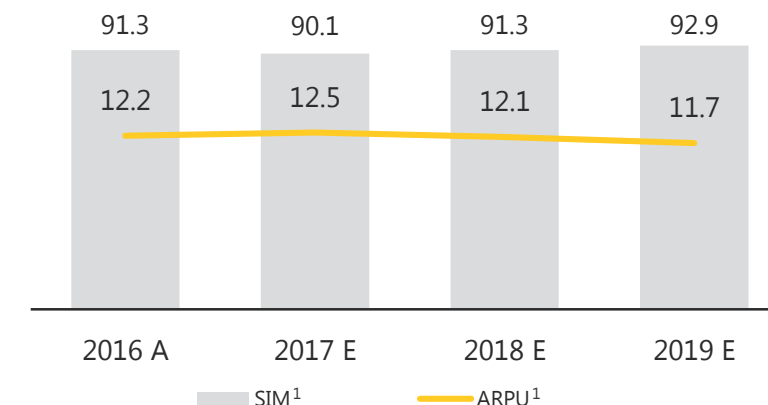
HIGHLIGHTS

- Mobile market expected to shrink in value in the coming years mainly due to growing competitive intensity driven by the new entrant
- Mobile market total SIM cards expected to increase following the new entrant and growing adoption of M2M SIM cards
- ARPU expected to decrease due to voice ARPU decline not completely offset by the growth in the data ARPU
- Competition expected to remain tough with main players focusing on convergence

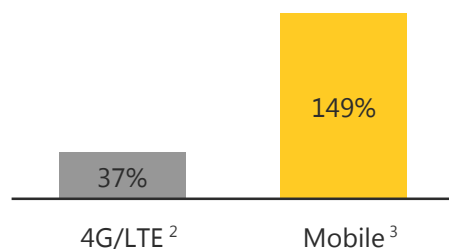
MOBILE MARKET EXPECTATIONS¹
(EUR BILLION)



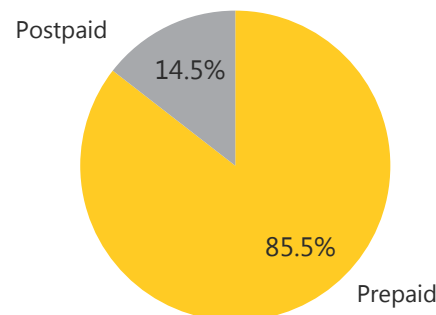
MOBILE SIMs (M) AND ARPU (EUR)



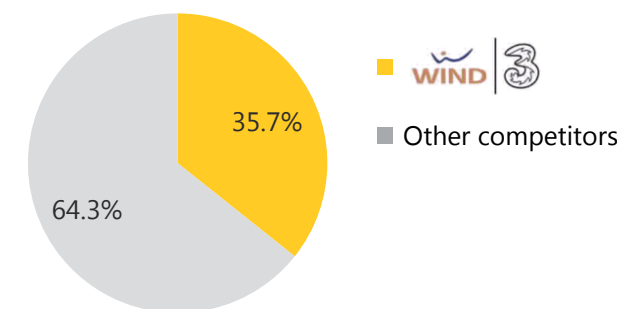
MOBILE PENETRATION



CUSTOMER MIX⁴



MOBILE MARKET SHARES
(DEC.-17)⁵

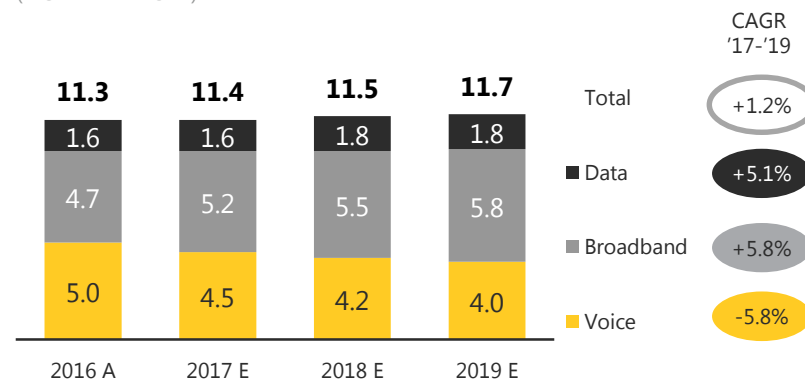


Fixed market outlook

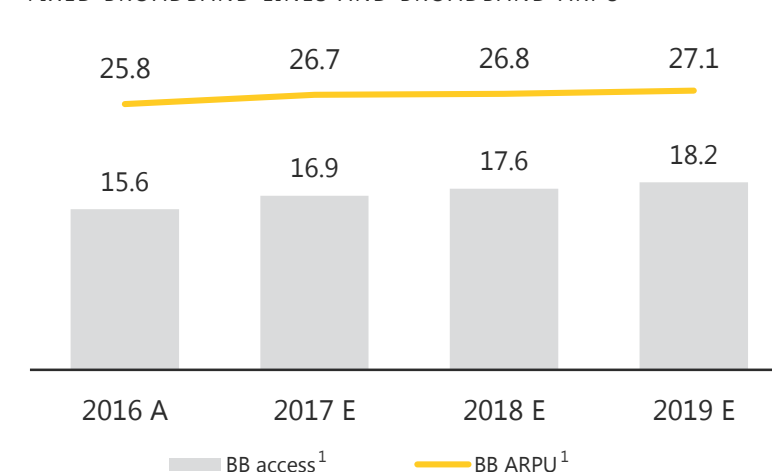
HIGHLIGHTS

- Fixed market expected to grow slightly in total value in the coming years driven by the increase in broadband access
- Fixed broadband number of lines expected to grow following the enlarged availability of fiber in Italy
- Market expected to remain competitive with main players focusing/pushing on new UBB services on fiber technology

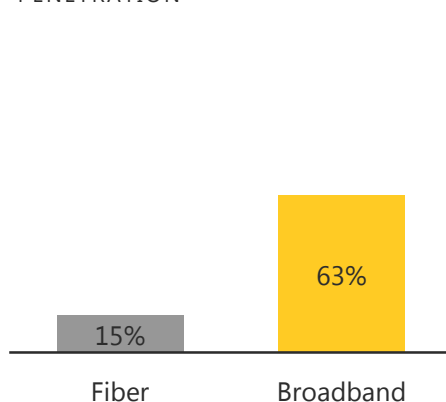
FIXED MARKET EXPECTATIONS¹
(EUR BILLION)



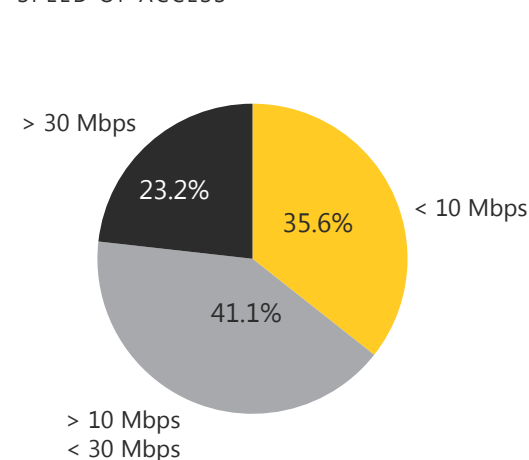
FIXED BROADBAND LINES AND BROADBAND ARPU



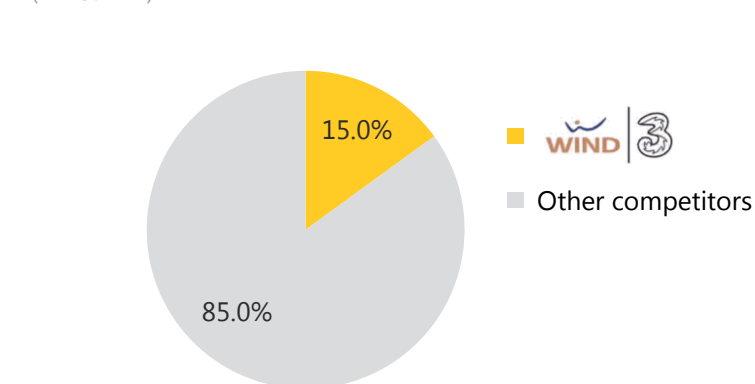
PENETRATION²



SPEED OF ACCESS³



FIXED BROADBAND MARKET SHARES
(DEC. - 17)⁴



2018: ready for the new entrant



New entrant likely to further disrupt the market in 2018...

- Likely commercial start in mobile: H1 2018
- Expected marketing buzz around “trust” and “simplicity”
- Likely aggressive pricing & data generosity strategy
- Digital approach to “go-to-market”



...But we are ready to fight and we will get benefits from their entry

- Fight plan vs. new entrant: key differentiators to bring value to our clients
 - ▶ Attractive fixed-mobile convergent offers to address all family needs
 - ▶ Best-in-class handset range through tying offers
 - ▶ Dense distribution footprint
- Remedy contract with the new entrant, ensures significant cash flows in all scenarios providing us partial revenue recovery of our customers lost to the new entrant and incremental revenue from competitors’ customers churning to the new entrant. Revenues from the new entrant deriving from:
 - ▶ Sale and co-location of sites
 - ▶ Transfer of spectrum licenses
 - ▶ Use of network

2018: a year of transformation



INTEGRATE

- Bridge the gap with competition on mobile network
 - Consolidate our systems
-
- Make a step change in fiber coverage (ongoing negotiation with several players)
 - Fix operational processes (e.g. provisioning, assurance)
 - Secure our high value customers through data analytics (e.g. predictive value of customers)



DIFFERENTIATE

- Accelerate on fixed-mobile convergence
 - Strengthen differentiation on B2B segment
 - Accelerate digital transformation with an ecosystem of partners (personalized services, best self-care and online experience, differentiated mobile engagement platforms)
-
- Double-down on ultra-broadband products & services (Wind Tre as Digital Home enabler)



OPTIMIZE

- Improve efficiency eliminating duplications in organization and processes
 - Maximize extraction of synergies
-
- Eliminate underperforming and overlapping sales channels, incentivize customer retention rather than acquisition
 - Ensure discipline in allocation of capital and resources

Build future-proof differentiating infrastructure



OUR AMBITION



EARLY ACHIEVEMENTS



PLAN

Mobile network



Building Italy leading mobile network through consolidation and modernization



Competitive differentiation



Synergies through sites consolidation, decommissioning and handover to the new entrant

~5k sites modernized¹

95% 4G population coverage

Leading network in consolidated cities²

98% 4G coverage by YE 2018

100% consolidation by YE 2019

21k sites for the largest NTW in Italy with single vendor

5G ready equipment

IT



Consolidate our systems, enable digital and omni-channel, move to cloud services



Cost savings through rationalization and more efficient IT



New revenue streams from data-driven business

+60 systems consolidated

Data analytics use cases launched, generating revenue


+50% of our infrastructure and app inventory consolidated and modernized

Fast-growing data-driven revenue

Accelerate on fixed-mobile convergence




OUR AMBITION

- WINDHÔME • The hub to make families' life easier
-  • The environment for tech-hungry adventure-seekers
- New growth engine
 - ▶ Cross sell both ways between our mobile and fixed customer base
 - ▶ Reduce massively churn on both mobile & fixed
 - ▶ Boost ARPU through content, digital products & services...



EARLY ACHIEVEMENTS

- Breakthrough simple FMC offer on WINDHÔME
 - ▶ Fiber up to 1Gbps
 - ▶ 100Giga/month data shareable within the family
- on 
 - ▶ Fiber up to 1Gbps
 - ▶ 15Giga/month data each SIM (up to 5 SIMs)

~**60%** of our fixed customer base convergent
~**10%** of our mobile customer base convergent
~**1.9 SIMs** per convergent account
~**50% lower churn** on convergent customers (mobile & fixed)



PLAN

- Finalize process improvements and step-up end-to-end customer experience
 - ▶ E.g. fix provisioning and assurance
- Enlarge fiber footprint
 - ▶ Ongoing negotiations with multiple fiber players
- Accelerate migration of our DSL customers to fiber
- Enrich offer of digital products & services to increase customer stickiness and drive ARPU
 - ▶ E.g. strengthened TV offering, IoT, monitoring & security, top-notch set-top-box
- Further accelerate cross-sell through push in distribution, especially in the "3" network

Strengthen differentiation on B2B



OUR AMBITION

- Double-down in B2B to turn B2B into a solid growth pillar
- Close the NPS gap vs. competitors in mobile and fixed
 - ▶ State-of-the art mobile network post consolidation
 - ▶ Enlarged fiber coverage
 - ▶ Enriched offer
 - ▶ Best-in-class processes



EARLY ACHIEVEMENTS

- +18%** fixed customers in 2017
- +3%** mobile customers in 2017
- ~70%** of fixed customers are convergent
- ~25%** reduction in SMEs network of third party agents (eliminating redundancies and low performers)
- All touchpoints rebranded "Wind Tre Business"
- Unified and revamped offer portfolio (data sharing, FMC, smart devices)
- Improved digital channels (e.g. top-notch self-care app for Small Enterprises)
- Unified and restructured the SME outbound distribution channels



PLAN

- Drastically enhance experience of business customers
 - ▶ Drastically improving mobile & fixed network performance
 - ▶ Revamping fixed processes (esp. provisioning and assurance)
- Further push cross selling in our customer base
- Expand into adjacent segments (IoT, SaaS, Cloud, Security), scouting partners and solutions to improve speed/flexibility and control capital expenditures

Accelerate digital transformation



OUR AMBITION

- To become a “Simple and Digital” company driving new revenue growth and cost savings
- Successfully scale up digital engagement to drive selfcare and NPS improvements
- New digital products and services, leveraging partnerships
- Improving customers experience and processes to simplify and reduce time to market
- Becoming a data driven company leveraging Big Data and advanced analytics



EARLY ACHIEVEMENTS

- **~7%** digital sales in 4Q 2017, leading the market
- **~20%** digital top-up in 2017, and growing
- **~40%** selfcare apps penetration, with market leading app store ratings and **30+ NPS**
- **20+** skilled professionals fully dedicated to Big Data and analytics with **~30%** total company's data already managed by the new DMP platform in three months
- Full **agile way of working** implemented across Digital, extending to wider organization
- Executing **digital technology roadmap** as in Digital Stack, Data Management, Knowledge Management, e-commerce, selfcare (bots) etc.



PLAN

- Drive Digital Transformation in the company
- Increase digital sales and digital top-up through all available selfcare applications and web tools (VEON, Wind and 3)
- Increase selfcare adoption by enriching digital functionalities (customer recognition, virtual agent, Big Data, bots)
- Improve customer experience through seamless processes, procedures, UX and UI
- Manage 100% of customer and operational data, leveraging our own and third party sources
- Deliver the digital technology roadmap including OSS/ BSS (Digital Stack) to be launched

Improve organizational efficiency



OUR AMBITION

Have the best-in-class, future-proof organizational setup and speed up decision making process

- Streamlined and simplified structure
- Simplified processes enabling better cost efficiency and improved customer/employee experience
- Optimized sourcing model increasing productivity
- Future proof skillset enabled by a strong recruiting and development policy
- One winning company culture



EARLY ACHIEVEMENTS

Reduction of **~2,200** employees in 2017, on a voluntary basis by offering severance package

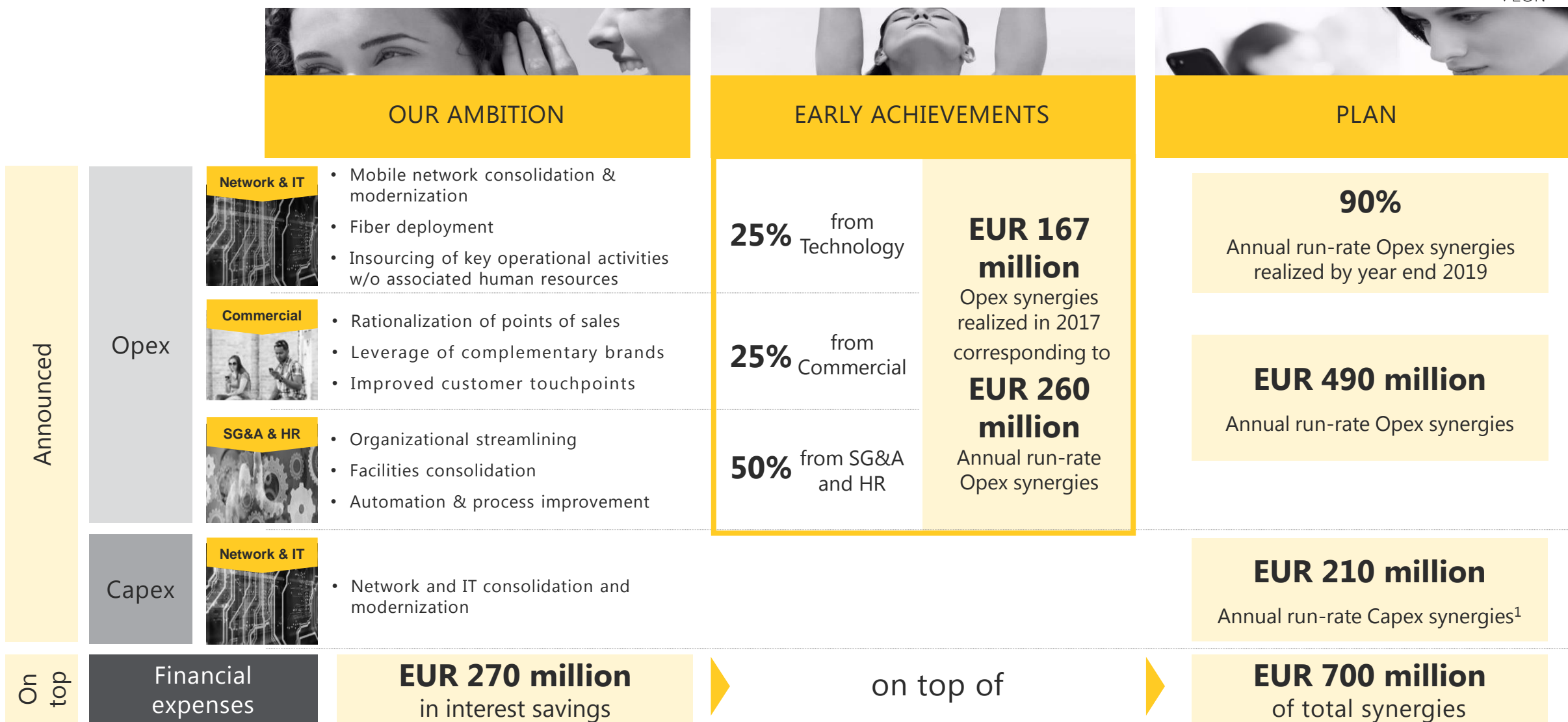
- ▶ **~-24%** employees
 - ▶ **~+20%** average span of control¹
- Reduction in headcount achieved to date higher than in the original synergies plan



PLAN

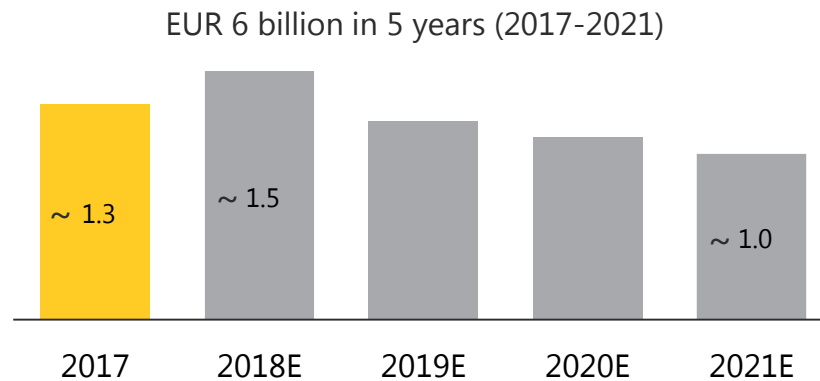
- Further streamline organization
 - ▶ Elimination of all duplicated activities
 - ▶ Further optimization of span of control
- Review our sourcing model, enhancing internal skills and insourcing selected high-value activities
 - ▶ E.g. insourcing of selected technical functions and network activities
- Strengthen our skillset through hiring/reskilling programs
 - ▶ E.g. Young Digital Talents recruiting program
 - ▶ E.g. new managerial & technical upskilling programs
- Build a strong, unified company culture

Maximize synergies and reduce costs

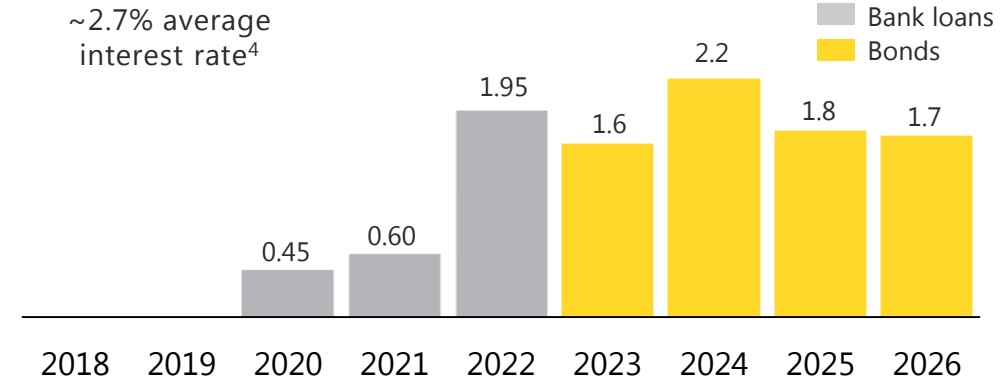


Focus on cash generation

CAPEX PLAN
(EUR BILLION)



DEBT MATURITY PROFILE¹
(EUR BILLION)



DE-LEVERAGE

- Leverage target of net leverage ratio <3.0x in the long-term
- Full refinancing executed in Q4 2017 optimizing maturity with 50% reduction in annual interest costs (EUR 270 million) vs.2016

DISTRIBUTION TO PARENTS

- Shareholder distribution based on the following:

Leverage ²	% FCF ³
<4.0x	40%
<3.5x	60%
<3.0x	80%

Final remarks



Strategy

Clear strategy & execution plan to accelerate cash generation

Strong focus on quality as a key enabler to drive value and differentiation

Operations

Processes reengineering underway to improve cost efficiency and customer experience

Transformation into a lean & efficient organization initiated, powered by a strong, unified culture

Cash & Deleverage

On track to deliver target synergies: EUR 700 million annual run-rate

Refinancing completed: EUR 270 million annual run-rate interest savings on top of synergies

Deleverage ambition: <3x leverage ratio in the long term

Agenda



Opening

Richard James - Head of IR

2017 Achievements & 2018 strategic priorities

Jean-Yves Charlier - CEO

Financial results and targets

Trond Westlie - CFO

BREAK - 20 MINUTES

Russia Update

Kjell Johnsen – Head of Major Markets

Italy update

Jeffrey Hedberg - CEO Italy JV

Final remarks

Jean-Yves Charlier - CEO

Q&A - 40 MINUTES

REFRESHMENTS



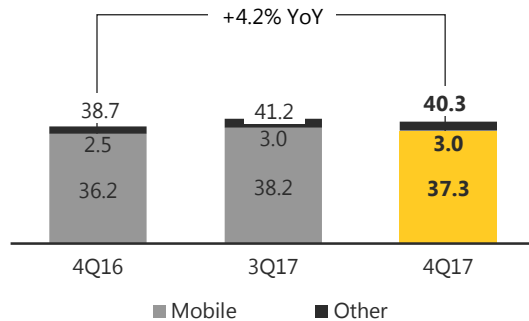
VEON

Appendix

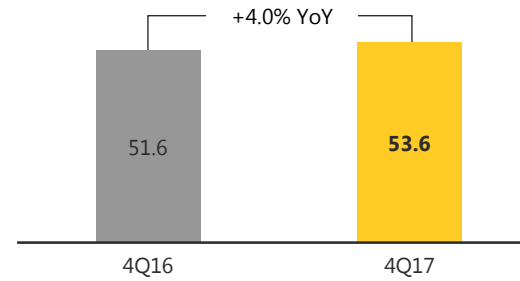
Pakistan: continuous growth and margin expansion



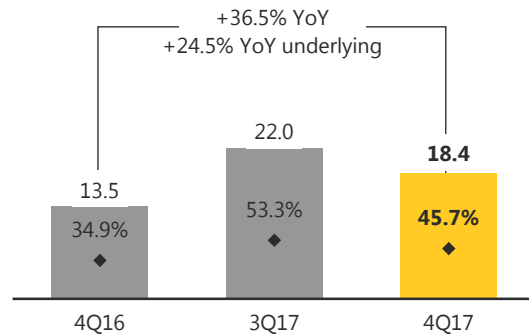
TOTAL REVENUE
(PKR BILLION)



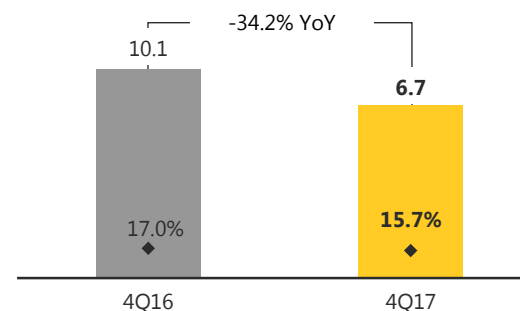
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(PKR BILLION AND %)



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



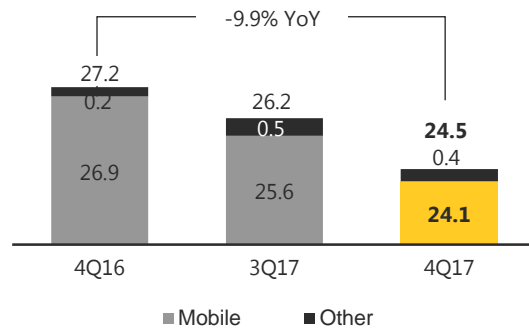
- Continued revenue growth, despite the aggressive market, fuelled by strong data revenue growth (+27.8% YoY)
- Network integration completed
 - overall sites reduced by >3 thousands
 - enabled 3G for ex-Warid and 4G/LTE for ex-Mobilink customers
- Strong underlying EBITDA YoY increase due to revenue growth and synergies
- Underlying EBITDA margin expansion to 48.1%, +7.8 p.p. YoY
 - +2.7 p.p. of Q4 margin impact due to release of historic SIM tax accruals
 - QoQ margin reduction by 7 p.p. mainly due to lower impact in Q4 vs Q3 from SIM tax accruals release

¹ Q4 2016 EBITDA negatively impacted by performance transformation costs of PKR 2.1 billion. Q4 2017 EBITDA negatively impacted by performance transformation costs of PKR 1 billion

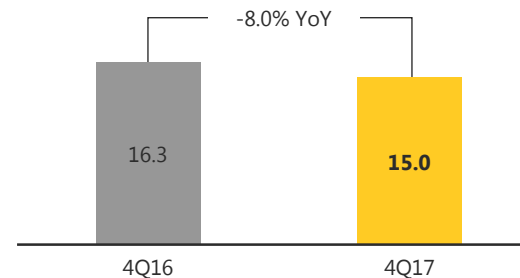
Algeria: data pricing competition continues, challenging macro environment



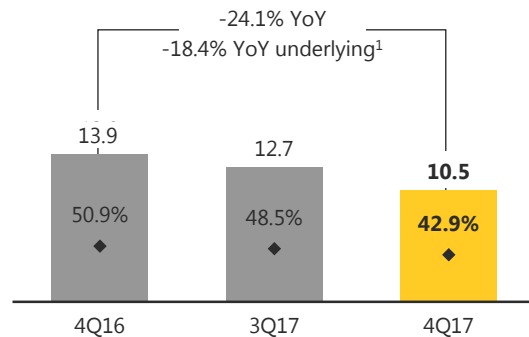
TOTAL REVENUE
(DZD BILLION)



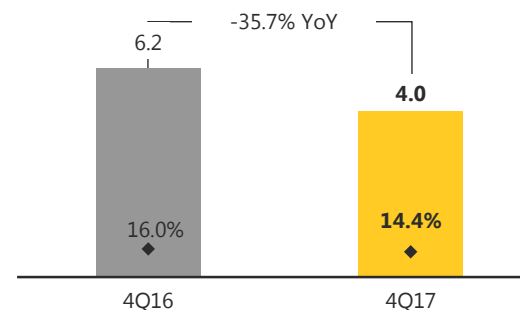
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(DZD BILLION AND %)



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



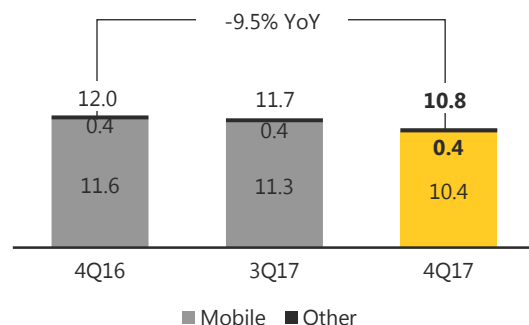
- Top line remains under pressure
 - ▶ Customer base decreased due to increased churn, fuelled by high competitive pressure on data pricing
 - ▶ Data revenue +36% YoY with 4G/LTE network population coverage leadership
- Challenging macro environment
 - ▶ Economic slowdown coupled with continued high inflation and weakened currency
 - ▶ Telecom share of wallet under pressure from new taxes and food basket inflation
- Underlying EBITDA margin of 46.7%
 - ▶ The Finance law impact has contributed to a decrease of 2.4 p.p. of EBITDA margin, which would otherwise have been of 49.1%
- Mobile termination rate partial symmetry

¹ Q4 2016 EBITDA negatively impacted by performance transformation costs of DZD 0.2bn. Q4 2017 EBITDA negatively impacted by performance transformation costs of DZD 0.9bn

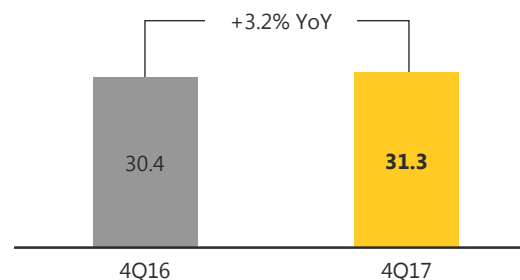
Bangladesh: continued competitive pressure impacting results



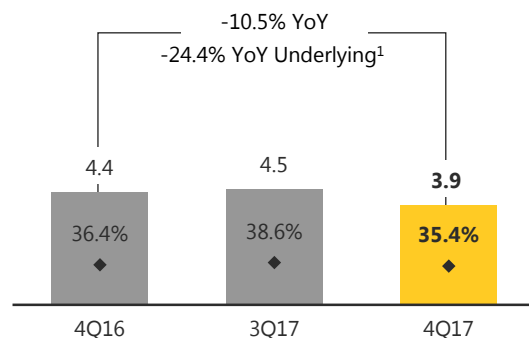
TOTAL REVENUE
(BDT BILLION)



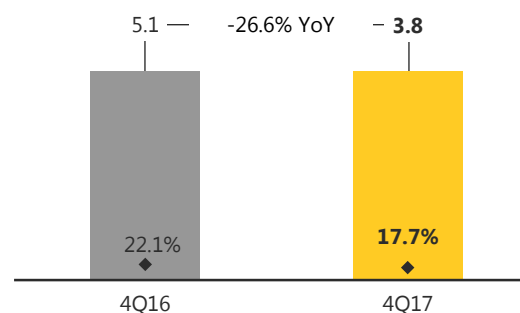
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(BDT BILLION AND %)



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



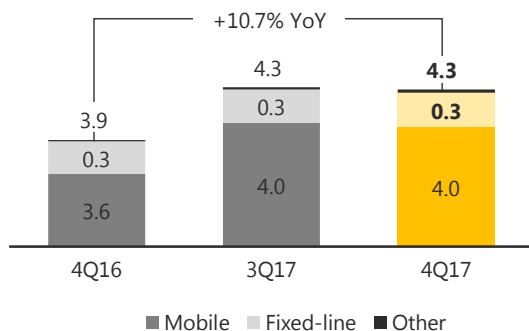
- Revenue YoY trend deteriorated vs Q3 2017
 - ▶ Continued competition on customer acquisition driving multi-SIM and diluted share of wallet
 - ▶ Data revenue +14.6% YoY, with acceleration of data customer growth at 13.4% YoY
- Underlying EBITDA decline due to revenue trend and technology expenses to improve network availability
 - ▶ 3G network availability substantially restored at year-end
- Underlying EBITDA margin at 35.8%
- Banglalink acquired additional spectrum and 4G/LTE license, positioning the company for the turnaround

¹ Q4 2016 EBITDA negatively impacted by performance transformation of BDT 0.8bn.

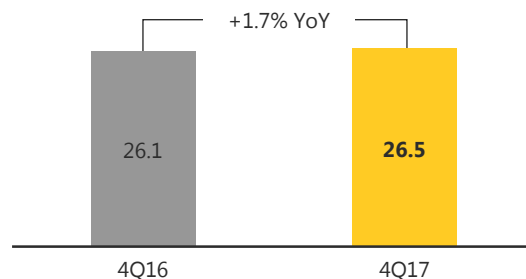
Ukraine: sustained robust performance



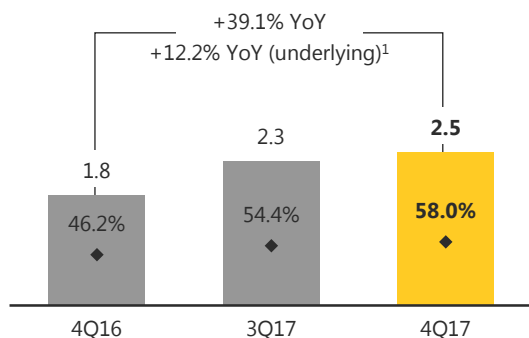
TOTAL REVENUE
(UAH BILLION)



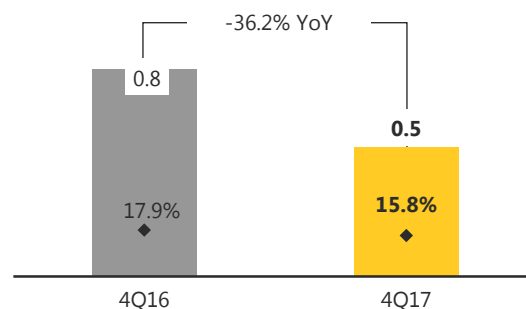
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(UAH BILLION AND %)



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



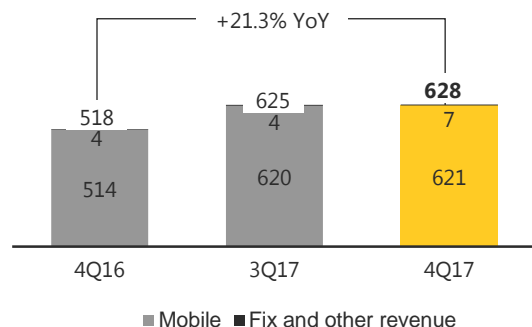
- Leader in NPS and clear market leader with customer market share above 47%
- Improved churn driving customer growth
- Mobile service revenue growth of 10.7% YoY, driven by data revenue growth of 65%
 - ▶ ARPU increased by 9.1% YoY to UAH 49
- Fixed service revenue increased 5.4% YoY
- Underlying EBITDA increased 12.2% YoY driven by revenue growth, improving cost efficiency
 - EBITDA margin of 58.0% positive impacted by UAH 213 million release of a provision related to a regulatory case
- 3G population coverage reached 74%
- On 31 January 2018, Kyivstar secured 4G/LTE license in the 2,600MHz band to provide nationwide services

¹ Q4 2016 EBITDA negatively impacted by UAH 240m related to provisions for penalties and tax related issues. Q4 2017 EBITDA positively impacted by UAH 213m due to a provision related to a regulatory fine

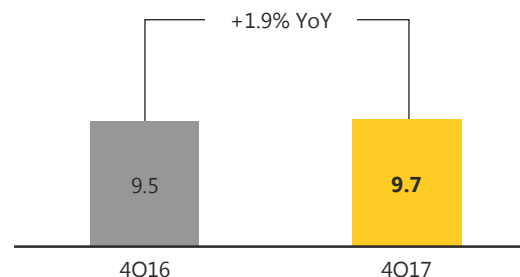
Uzbekistan: Tax and cost pressure impacting EBITDA margin



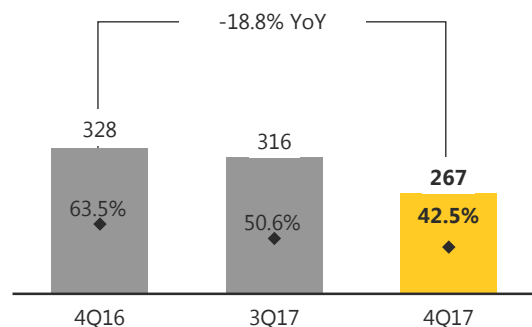
TOTAL REVENUE
(UZS BILLION)



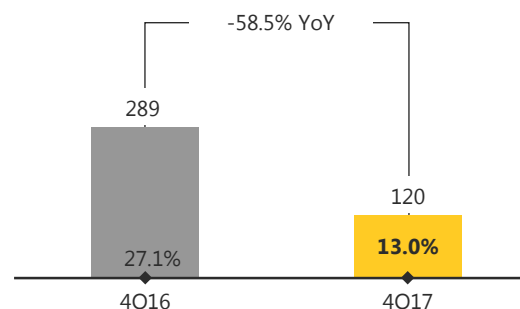
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN¹
(UZS BILLION AND %)



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



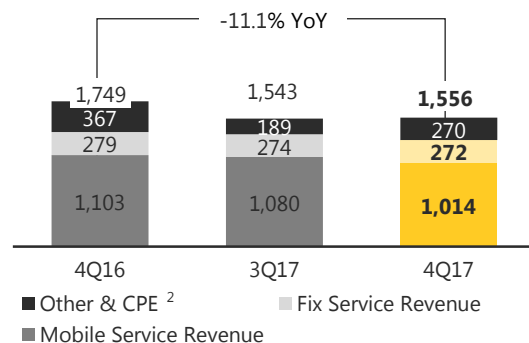
- Revenue grew 21.3% YoY driven by increased tariffs, which were pegged to USD until the Uzbek som liberalization on 4 September 2017
- Mobile data revenue increased 28.6% YoY
- Underlying EBITDA broadly stable YoY, driven by revenue growth, mainly offset by a.o. 83% YoY increase in customer tax to UZB 2,750, increased service and business costs, and the negative impact from the currency liberalization
- VEON successfully repatriated USD 200 million from Uzbekistan

¹ Q4 2016 EBITDA positively impacted by reversal of provision related to a court case of UZS 39.9 billion. Q4 2017 EBITDA positively impacted by UZS 20.3 billion related will a penalty provision

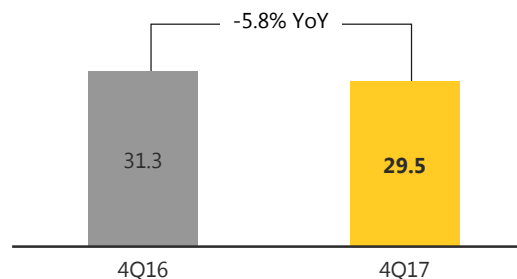
Italy: synergies on track partially offsetting top line pressure



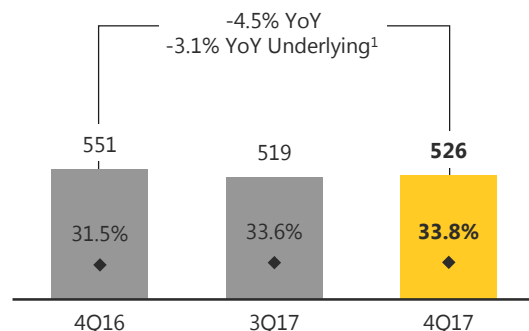
TOTAL REVENUE
(EUR MILLION)



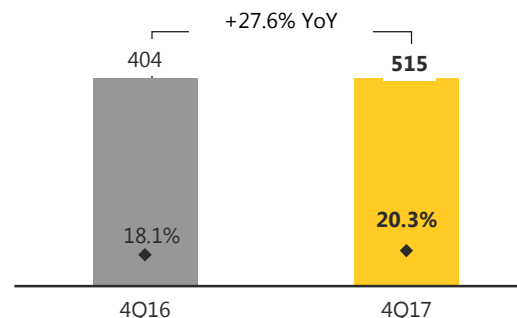
MOBILE CUSTOMERS
(MILLION)



EBITDA AND EBITDA MARGIN
(EUR BILLION AND %)



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



¹ EBITDA negatively impacted by integration costs of ~EUR 66 million; in Q4 2017 and of ~EUR 60 million in 4Q 2016

² CPE = Customer Premises Equipment

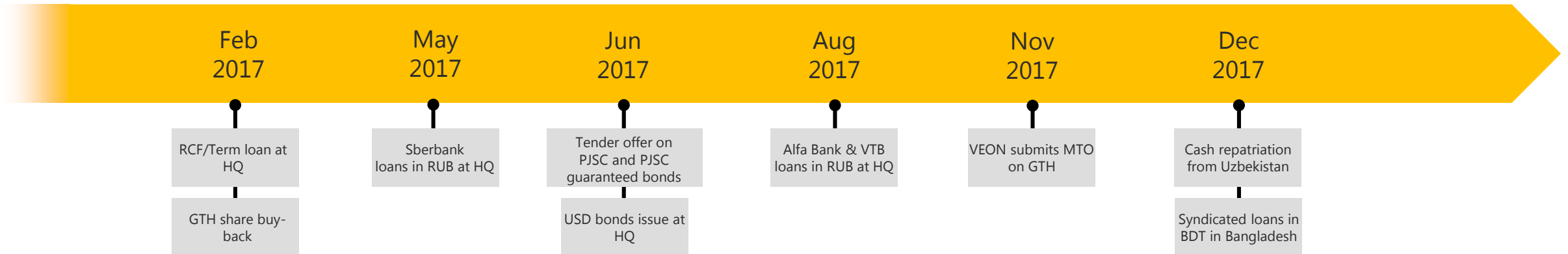
³ Calculated as Net Debt / LTM EBITDA before ~EUR 266 million integration costs; 2017 total net leverage excludes approximately EUR 128 million related to the Terna's fibre backbone right of way

Note: starting from Q2 2017 results, minor changes in accounting policies were adopted and for a proper comparison previous period results were adjusted accordingly

FY 2017 RESULTS

- Service revenue decline of 7.0% YoY with:
 - ▶ Mobile service revenue decline of 8.1% YoY mainly due to continued highly competitive environment with aggressive underground offers
 - ▶ Fixed service revenue decrease of 2.5% YoY mainly due to tough comparison with 4Q16 when some commercial initiatives were undertaken
- Other & CPE² revenue decline mainly driven by lower volume of gross additions and to a more selective mobile customer scoring
- Underlying EBITDA¹ declined 3.1% YoY due to the decline in mobile segment as a consequence of top line pressure partially offset by synergies and costs efficiencies
- Net leverage ratio at 4.4x³
- Contribution to VEON P&L of a loss of USD 156m for Q417

Key financing activities and transactions of 2017

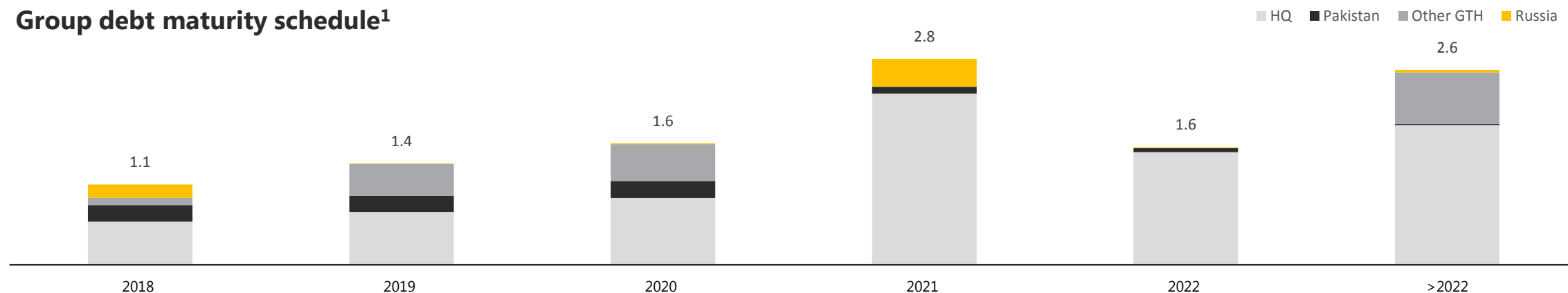


Group debt maturity schedule



AS AT 31 DECEMBER 2017,
USD BILLION

Group debt maturity schedule¹



Group debt maturity schedule by currency¹

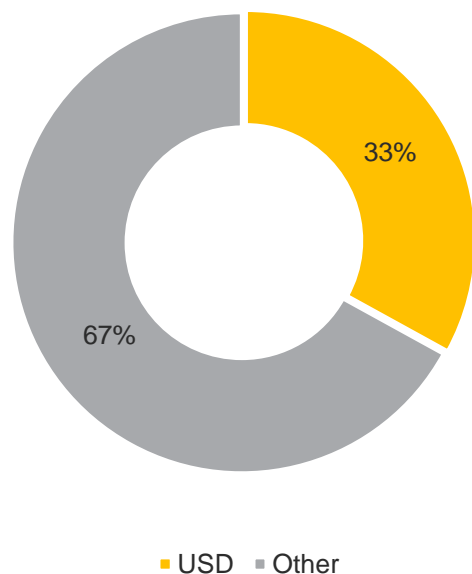
	2018	2019	2020	2021	2022	>2022	
USD	0.7	1.1	0.7	0.4	0.7	2.6	55%
EUR	0.0	0.0	0.3	1.1	0.1	0.0	12%
RUB	0.2	0.0	0.5	1.2	0.8	0.0	25%
PKR	0.1	0.2	0.2	0.1	0.1	0.0	6%
OTHER	0.0	0.1	0.0	0.0	0.0	0.0	2%

¹ After effect of cross currency swaps

Liquidity analysis



Group cash breakdown by currency
31 DECEMBER, 2017



Group cash: USD 1.3 billion¹

Unused RCF headroom at the end of Q4 2017:

VEON – Syndicate	USD 1.44 billion
------------------	------------------

Unused VF/CF headroom at the end of Q4 2017:

VEON - Sberbank	RUB 15 billion (USD 0.26 billion)
Pakistan – facility	PKR 15 billion (USD 0.13 billion)
Banglalink – Syndicated TL Facility	BDT 29 billion (USD 0.35 billion)

¹ Net of USD 987m on deposit as USD collateral for the MTO.

Debt by entity

AS AT 31 DECEMBER 2017,
USD MILLION



Outstanding debt (millions)		Type of debt/lender		
Entity	Bonds	Loans	Other	Total
VEON Amsterdam B.V.	-	475	-	475
VEON Holdings B.V.	3,891	3,542	-	7,432
GTH Finance B.V.	1,200	-	-	1,200
GTH	-	98	-	98
PJSC VimpelCom	562	-	61	623
Pakistan Mobile Communications Limited	42	790	-	832
Banglalink Digital Communications Ltd.	300	-	-	300
Optimum Telecom Algérie S.p.A.	-	131	-	131
Others	-	7	4	11
Total	5,994	5,042	66	11,102

Underlying equity free cash flow (excluding licenses) reconciliation table



	4Q17	4Q16	FY17	FY16
Net cash from operating activities from continued operations	479	384	2,475	1,192
Exceptional items:				
One-off adjustment to a vendor agreement ¹	-	-	(66)	-
PT costs	58	66	179	255
Settlement with DOJ/SEC/OM Investigation	-	-	-	795
WHT on license in Pakistan			30	
IRAQNA Provision			69	
Proceeds from sale of shares in subsidiaries	-	325	-	325
Other	19	-	41	33
Underlying Net Cash Flow from operating activities	555	775	2,728	2,601
Net cash used in investing activities from continued operations	(1,325)	(931)	(3,016)	(2,021)
Adjustments:				
Purchase of license	(19)	(47)	(359)	(165)
Deposits, Financial assets and other	(853)	(59)	(997)	(68)
Underlying net cash flow used in investing activities	(453)	(825)	(1,660)	(1,788)
Underlying Equity Free Cash Flow (excluding licenses)	101	(50)	1,067	812

¹ One-off adjustment to a vendor agreement refers to USD 106m of exceptional cost reduction of which USD 66m have been paid in Q3 2017 and the remaining USD 40m will be paid in 2018

Cash flow

USD mln

	FY17
Operating activities	
Profit after tax	(496)
Income tax expenses	472
Profit before tax	(24)
Non-cash adjustment to reconcile profit before tax to net operating cash flows:	
Depreciation	1.454
Amortization	537
Impairment loss	66
Loss/(Gain) From disposal of non current assets	24
Finance income	(95)
Finance cost	935
Other non operating losses / (Gains)	95
Net foreign exchange loss / (gain)	71
Share of loss of associates, joint ventures and impairments	522
Movements in provisions and pensions	(119)
Changes in working capital	199
Net interest paid	(834)
Net interest received	89
Income tax paid	(445)
Changes due to discontinued operations from operating activity	-
Net cash from operating activities	2.475
Proceeds from sale of property and equipment	8,0
Proceeds from sale of intangible assets	-
Purchase of property, plant and equipment	(1.481)
Purchase of licenses	(359)
Purchase of other intangible assets	(197)
Outflow for loan granted	(2,0)
Inflow from loan granted	-
Inflows/(outflows) from financial assets	(99)
Inflows/(outflows) from deposits	(898)
Acquisition of a subsidiary, net of cash acquired	-
Proceeds from sales of share in subsidiaries, net of cash	12,0
Receipt of dividends	-
Discontinued operations in investing activity	-
Net cash used in investing activities	(3.016)
Net proceeds from exercise of share options	-
Acquisition of non-controlling interest	(259)
Gross proceeds from borrowings	6.248
Fees paid for the borrowings	(56)
Repayment of borrowings	(5.948)
Dividends paid to equity holders	(518)
Proceeds from sale of treasury stock	1
Dividends paid to non-controlling interests	(202)
Proceeds from sale of non-controlling interests	-
Discontinued operations in financing activity	-
Net cash from/(used in) financing activities	(734)
Net increase in cash and cash equivalents	(1.275)

	FY2017	
EBITDA	3,587	
Changes in working capital	199	
Movement in provisions	- 119	
Net interest paid-received	- 745	
Income tax paid	- 445	
Cash flow from operating activities (excl. discontinued operations)	2,474	
Capex excl.licenses	- 1,460	
Working capital related to Capex excl. licenses	-218	
Proceeds from sale of PPE	8	
Equity Free Cash Flow	804	A
Purchase of licenses	- 359	
Other investing activities ¹	- 987	
Cash flow before financing	- 542	
Exceptional cash flow items	263	B
Underlying Equity Free Cash flow²	1.067	A+B

Underlying EBITDA reconciliation table



	4Q17	4Q16	FY17	FY16 Pro-forma Warid
EBITDA	753	783	3587	3,268
One-off vendor adjustment	-	-	(106)	-
Performance Transformation costs of which:	58	66	184	245
HQ and Other	38	29	142	156
Russia	3	1	5	11
Emerging Markets	17	36	37	78
Other exceptional	3	61	9	104
EBITDA underlying	814	910	3,676	3,617

Forex



	Target rates	Average rates			Closing rates		
	FY 2018	4Q17	4Q16	YoY	4Q17	4Q16	YoY
Russian ruble	60.00	58.41	63.07	(7.4%)	57.60	60.66	(5.0%)
Algerian dinar	110.00	114.77	110.58	3.8%	114.76	110.40	4.0%
Pakistan rupee	105.00	106.42	104.78	1.6%	110.70	104.37	6.1%
Bangladeshi taka	79.00	82.32	78.62	4.7%	82.69	78.92	4.8%
Ukrainian hryvnia	27.00	26.96	25.89	4.1%	28.07	27.19	3.2%
Kazakh tenge	340.00	334.40	335.07	(0.2%)	332.33	333.29	(0.3%)
Uzbekistan som	8,748	8,079.91	3,129.4	158.2%	8,120.07	3,231.5	151.3%
Armenian dram	480	483.1	478.84	0.9%	484.1	483.94	0.0%
Kyrgyz som	70.00	69.22	68.83	0.6%	68.84	69.23	(0.6%)
Georgian lari	2.40	2.59	2.50	3.9%	2.59	2.65	(2.1%)