

Passionate about value creation

Dear stakeholder,

2013 was a year of value creation for VimpelCom and a reaffirmation of our vision of Focusing Locally, Empowering People, and Connecting Globally. This vision is what makes us unique today, with a strong portfolio of leading brands in attractive emerging and developed markets, a versatile and innovative focus on customer experience through the delivery of mobile services to our customers, and an EBITDA margin that is one of the highest in the telecom industry.

VimpelCom is one of the world's largest and most dynamic integrated telecommunications companies, but our journey is far from over. Today, we serve 220 million mobile customers with 9 leading brands in 17 countries around the world. The foundation of this position and how our businesses are aligned to drive future success is our Value Agenda. This value proposition, which is centered on Profitable Growth, Customer Excellence, Operational Excellence, and Capital Efficiency, defines the way that VimpelCom does business, invests and aspires to exceptional performance.



Jo Lunder (left)
Alexey Reznikov (right)



To watch an interview with our CEO, visit our website www.vimpelcom.com

We achieved a remarkable milestone in 2013 when we transferred our stock market listing to the NASDAQ Global Select Market on September 10, 2013. We are delighted to be listed on the NASDAQ. As the home of many great telecommunications and innovative growth companies, it places us in the company of businesses that share our pioneering spirit and commitment to global innovation. It is where we belong.

On October 29, 2013, we were included in the NASDAQ-100® Index, marking another significant development for the Company. The NASDAQ-100® Index consists of the 100 largest domestic and international non-financial securities listed on the NASDAQ Stock Market based on market capitalization.

We also continued to strengthen our executive leadership team. Andrew Davies started as CFO of VimpelCom on November 7th, Anton Kudryashov was appointed Chief Group Business Development and Portfolio Officer on October 14th, and Mikhail Slobodin was appointed Head of the Russia Business Unit on September 4, 2013.

In terms of our performance in 2013, we achieved 4% growth in our mobile customer base, reaching 220 million at the end of 2013. However, 2013 was not without its challenges. We experienced regulatory and governmental measures, unstable macro environments and market slowdown in some of our markets. In addition, our results were impacted by the continued limitations in Algeria and the reduction in MTRs in Italy.

In 2013, we realized stable underlying revenue and EBITDA, excluding the impact from cuts in mobile termination rates in Italy and one-off charges. On a reported basis we generated revenues of USD 22.5 billion, an organic decline of 2% year over year, impacting our EBITDA, which declined 2% organically year over year to USD 9.5 billion, excluding one-off charges related to the Algeria resolution. Despite the revenue decline and excluding mentioned above one-off, VimpelCom had a stable EBITDA margin of 42.2%, one of the highest EBITDA margins in the industry, as a result of cost controls and the benefits of global procurement.

In 2013, 70% of our revenue, or almost USD 16 billion, was generated in emerging markets. These emerging regions are the engine of VimpelCom, generating nearly USD 7 billion in EBITDA* and USD 4 billion in cash. The emerging markets where we are present all have large potential customer bases, high revenue growth from relatively low penetration and significant growth potential for mobile data. In these markets, we have an opportunity to leverage our knowledge and experience from more developed markets to capture this growth. We are very excited about our prospects.

In Russia, we continued a positive trend, although at a slower pace, delivering organic revenue growth of 2% and a stable EBITDA margin. Russian mobile data revenues grew by 30%. Our operations in Russia now have parity on mobile data network quality and distribution reach, and we increased the number of 3G base stations by more than 40%. In 2014, the focus for Russia will be on building a customer-centric organization, which concentrates on Customer Excellence and implementing a cultural transformation in customer service.

* Excluding the impact of one-off charges related to the resolution in Algeria

In Italy, WIND continued to outperform its peers and further strengthened its position in a market which became even more competitive. Organic revenues decreased 8%, while EBITDA decreased 6% and EBITDA margin remained strong at 39.0%. WIND also had the highest net promoter score in the market, demonstrating our commitment to Customer Excellence.

In Africa and Asia, we were impacted by regulatory and governmental actions in several countries. Organic revenues declined 3%, while EBITDA declined organically 1% and EBITDA margin, excluding write-off related to the Algeria resolution was up 1 percentage point to 47.7%. The customer base in the Africa & Asia Business Unit increased 7% to approximately 89 million customers. We continue to be the clear market leader in Algeria and Pakistan, and we are a strong number two in Bangladesh. In April 2014, we achieved a major milestone in Algeria that will have long-term benefits to our business in the country. We achieved a favorable resolution when we announced the sale by GTH of a 51% interest in Orascom Telecom Algérie SpA to the Fonds National d'Investissement, the Algerian National Investment Fund, for a purchase consideration of USD 2.6 billion. This agreement allows us to solidify our strong leadership position in Algeria by enabling us to further invest in a high speed 3G network to take full advantage of the potential for mobile data growth in the country. In Algeria, we have started to build out the 3G network and plan to launch 3G services during 2014.

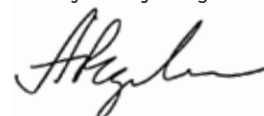
In Ukraine, we experienced an organic decline of revenue of 4%, with organic decline of EBITDA of 9%, but saw a strong EBITDA margin of 48.5%. While we had some challenges in moving our customers to pricing bundles, we are still the leader in the country in terms of revenue market share. We launched a transformation program at Kyivstar to address the current issues in the operation.

Finally, the rest of our emerging markets portfolio in the CIS business continued to deliver 12% organic growth of revenue and a 7% organic growth in EBITDA. Our competitive market position improved as a result of our new attractive value proposition.

In 2013 we paid in total USD 2.8 billion in dividends to our shareholders. In January 2014, our Supervisory Board approved a new dividend policy. As part of our 2014 strategy to focus on investments in future growth and deleveraging, we did not make a final dividend payment in 2013. We also announced that we decided to reduce our dividend payments pursuant to which from 2014 VimpelCom aims to pay annual dividends of USD 0.035 per share until the Company reaches a group Net Debt to EBITDA ratio under 2.0.

To conclude, we remain committed to our Value Agenda and to the four pillars that we believe will drive value for our shareholders going forward.

Thank you for joining us on this journey.



Alexey Reznikovich
Chairman of the
Supervisory Board



Jo Lunder
Chief Executive Officer