

Our strategy enables us to create value for our stakeholders

Highlights

- Stable underlying revenue and EBITDA, excluding MTR cuts and one-off charges
- Revenue reached USD 22.5 billion; organic¹ decline of 2% YoY
- EBITDA of USD 9.5 billion, excluding one-off²; an organic¹ decline of 2% YoY
- EBITDA margin, excluding one-off², was flat YoY at 42.2%
- Net loss of USD 2.6 billion reflecting USD 3.0 billion of non-cash impairments and one-off in Algeria of 1.1 attributable to VIP
- CAPEX³ of USD 4.1 billion leading to CAPEX/Revenue of 18%
- Operating cash flow (EBITDA – CAPEX) decreased 5% to USD 5.4 billion, excluding one-off²

Financial year 2013

Total operating revenue in FY13 decreased organically by 2% YoY to USD 22.5 billion. Revenue was impacted by regulatory and governmental measures, unstable macro environments and economic slowdown in some of our markets, as well as the MTR cuts and severe price competition in Italy. Excluding one-off charges and MTR cuts, the Company would have had stable revenue compared to FY12.

In Russia, revenue decreased 1% to USD 9.1 billion and increased 2% to RUB 290 billion. In Italy, revenue decreased 5% to USD 6.6 billion and decreased 8% to EUR 5.0 billion as a result of the sharp MTR cuts and severe price competition, especially during the summer campaigns. Excluding the MTR effect, total operating revenue declined 1% in local currency.

The Africa & Asia Business Unit realized a 3% YoY organic decline in revenue and in reported revenue a decline of 6% to USD 3.5 billion, while the Ukraine Business Unit revenue declined by 4% to USD 1.6 billion and to UAH 12.9 billion. The CIS Business Unit continued to deliver a strong performance with a revenue increase of 11% YoY to USD 1.9 billion (12% organically), primarily as a result of the network closure of a competitor by the Uzbek authorities.

EBITDA, excluding one-off², organically decreased 2% YoY to USD 9.5 billion. Excluding one-off charges and MTR cuts, the Company would have had stable EBITDA compared to FY12.

EBITDA in the Russia Business Unit grew organically by 1% YoY to RUB 121 billion, while in USD it declined by 2% to USD 3.8 billion. In Italy, EBITDA decreased 3% to USD 2.6 billion

and declined by 6% to EUR 1.9 billion mainly due to the impact of the MTR cuts and severe competition. The EBITDA of the Africa & Asia Business Unit, excluding one-off², declined 4% to USD 1.7 billion and realized an organic decline of 1% YoY. In the Ukraine Business Unit, EBITDA decreased by 9% to USD 0.8 billion and to UAH 6.2 billion. EBITDA organic growth in the CIS Business Unit was 5%, reaching USD 856 million.

CAPEX stood at USD 4.1 billion, with investments in the further roll out of the mobile networks in Russia, Bangladesh, Pakistan and the CIS. The CAPEX/Revenue for FY13 was 18%, while the Company expects FY14 CAPEX, excluding licenses, to be approximately 21% of revenue.

1 Revenue and EBITDA organic growth are non-IFRS financial measures that exclude the effect of foreign currency movements and certain items such as liquidations and disposals

2 One-off charges of USD 1.3 billion that reflect the write offs related to the successful resolution in Algeria, as announced in the Company's release issued on April 18, 2014

3 Excluding non-cash increase in intangible assets related to the contract with Terna in relation to the Right of Way of WIND's backbone

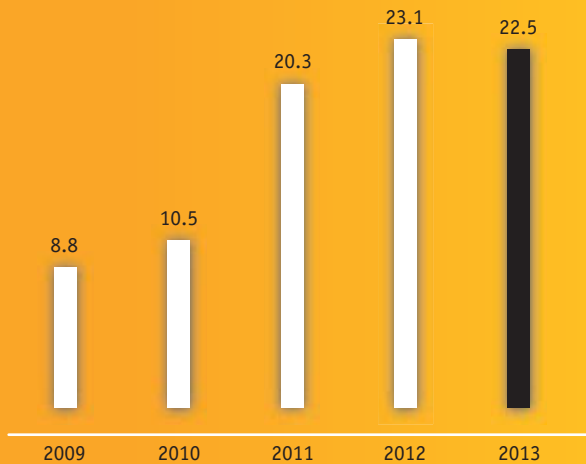


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Total operating revenues (\$US bln)
Actual

\$22.5b

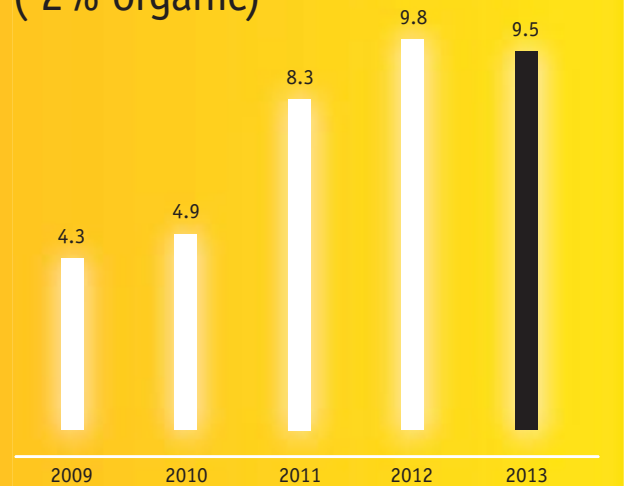
(-2% organic)



EBITDA (\$US bln)
Actual

\$9.5b*

(-2% organic)

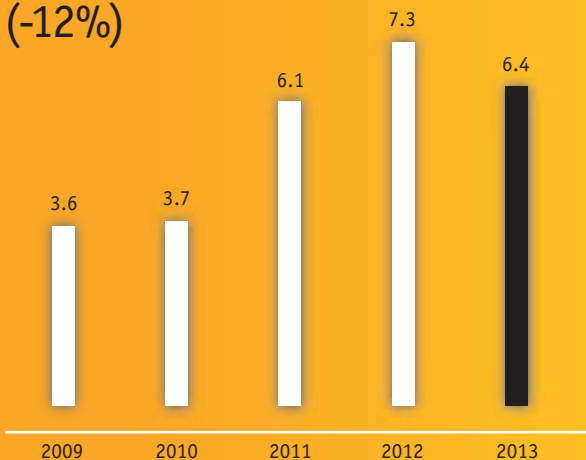


* EBITDA excluding one-off charges related to the resolution in Algeria

Net cash from operating activities (\$US bln)
Actual

\$6.4b

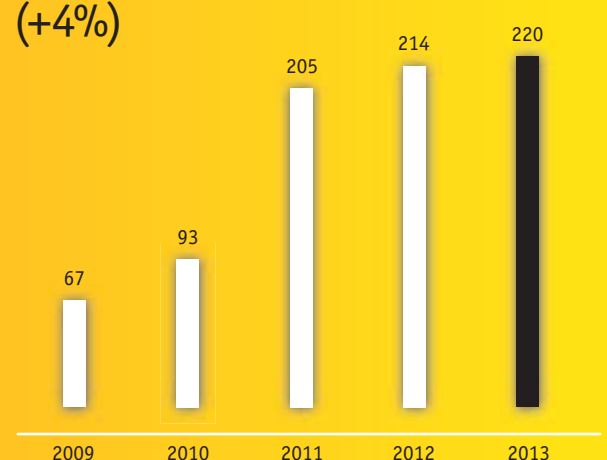
(-12%)



Mobile customers (mln)
Actual

220m

(+4%)



Note: Figures are based on IFRS