

# VIMPELCOM REPORTS POSITIVE REVENUE MOMENTUM WITH 1Q 2016 RESULTS, FY16 GUIDANCE CONFIRMED

## KEY RESULTS AND DEVELOPMENTS

- Revenue organic<sup>1</sup> growth of 4% YoY, driven by strong growth in Emerging Markets and Eurasia
- Underlying<sup>2</sup> EBITDA organically increased 2% YoY. Reported EBITDA declined 19% YoY mainly due to currency headwinds and exceptional items of USD 40 million almost entirely related to performance transformation
- Reported net income of USD 189 million of which USD 38 million from continued operations
- Results on track and FY16 guidance confirmed
- USD 1.2 billion bonds successfully issued on April 26, 2016 with 4 and 7 year maturities and 6.8% average coupon

Amsterdam (May 12, 2016) – VimpelCom Ltd. (NASDAQ: VIP), the international communications and technology company, which is committed to bringing the digital world to each and every customer, today announces financial and operating results for the quarter ended March 31, 2016. These results and the prior year numbers reflect the reclassification of Italy as an asset held for sale pursuant to the announcement of the joint venture with 3 Italia in August 2015.

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

*“VimpelCom has reported organic growth in both revenue (+4%) and underlying EBITDA (+2%) in the first quarter of 2016. As a result, underlying net income<sup>3</sup> for the quarter improved by USD 270 million year-on-year to USD 237 million, demonstrating that the operating momentum we had at the end of 2015 has continued into 2016. Although we still face currency headwinds and adverse economic conditions in some of our markets, there are signs of an easing in pressures, with the exception of Russia. Excluding the payments in relation to the agreements regarding the Uzbekistan investigations, we generated positive free cash flow in the quarter as our performance transformation program accelerates. Our strategy to profoundly transform VimpelCom is firmly on course, particularly in the areas of cost base transformation, streamlining our portfolio, and greater globalization of our internal operations. VimpelCom remains on track to achieve its financial targets for the year.”*

## CONSOLIDATED FINANCIAL AND OPERATING HIGHLIGHTS (ITALY RECLASSIFIED AS AN ASSET HELD FOR SALE)

USD mln	1Q16	1Q15	Reported YoY	Organic <sup>1</sup> YoY
<b>Total revenue, of which</b>	<b>2,023</b>	<b>2,312</b>	<b>(12%)</b>	<b>4%</b>
mobile and fixed service revenue	1,953	2,260	(14%)	3%
mobile data revenue	301	286	5%	27%
<b>EBITDA</b>	<b>758</b>	<b>938</b>	<b>(19%)</b>	<b>(2%)</b>
EBITDA underlying <sup>2</sup>	799	945	(15%)	2%
EBITDA margin underlying (EBITDA underlying / total revenue)	39.5%	40.9%	(1.4p.p.)	(0.8p.p.)
Net income/(loss) from continued operations	38	(88)	n.m.	
Net income/(loss) from discontinued operations	197	261	(24%)	
<b>Net income/(loss) for the period attr. to VIP shareholders</b>	<b>189</b>	<b>184</b>	<b>3%</b>	
<b>Capital expenditures excl. licenses</b>	<b>151</b>	<b>210</b>	<b>(28%)</b>	
LTM Capex excl licenses/revenue	18.2%	20.3%	(2.1p.p.)	
<b>Operating cash flow (EBITDA underlying less Capex)</b>	<b>647</b>	<b>734</b>	<b>(12%)</b>	
Operating cash flow margin (operating cash flow / total revenue)	32.0%	31.8%	0.2p.p.	
Net debt	6,407	5,883	9%	
Net debt / underlying LTM EBITDA	1.7	1.2		
Total mobile customers (millions) <sup>4</sup>	194.0	195.1		
Total fixed-line broadband customers (millions)	3.4	3.5		

<sup>1)</sup> EBITDA, net debt, underlying EBITDA and organic growth are non-GAAP financial measures (see attachment D for reconciliation); organic change reflects changes in revenue and EBITDA excluding foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions

<sup>2)</sup> Underlying EBITDA excludes transformation costs and material exceptional adjustments, see Attachment D

<sup>3)</sup> Underlying net loss in 1Q15 of USD 33 million excludes exceptional items in EBITDA of USD 7 million, the gain from tower sale in Italy of USD 322 million and impairments of USD 98 million; Underlying net income in 1Q16 of USD 237 million excludes exceptional items in EBITDA of USD 40 million and impairments of USD 8 million

<sup>4)</sup> Excluding Italy

For all definitions please see Attachment G

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### **PRESENTATION OF FINANCIAL RESULTS**

*VimpelCom's results presented in this earnings release are based on IFRS and have not been audited. Certain amounts and percentages that appear in this earnings release have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including those in tables, may not be an exact arithmetic aggregation of the figures that precede or follow them.*

## MAIN EVENTS 1Q 2016

- **Italy joint venture regulatory review process ongoing, Phase II review process started**
- **Mobilink and Warid Telecom merger receives first regulatory approval from CCP**
- **GTH issued USD 1.2 billion bonds guaranteed by VimpelCom Holdings to refinance shareholder loan**
- **Telenor preference shares in VimpelCom redeemed; change in share ownership**
- **Settlements with the SEC/DOJ/OM regarding Uzbekistan investigation entered into and payments completed**
- **New CEO appointed in Algeria**

### ITALY JOINT VENTURE AND REGULATORY REVIEW PROCESS ONGOING, PHASE II REVIEW PROCESS STARTED

The European Commission has commenced a Phase II review of the proposed joint venture with 3 Italia in Italy, in line with the E.U. Merger Regulation (139/2004).

This decision was widely expected in the context of the Commission's approach to in-country telecoms mergers. It does not in any way pre-judge or prejudice the final outcome of the Commission's consideration of the transaction. VimpelCom expects that the transaction will complete around the end of 2016, subject to regulatory approvals. WIND Italy and 3 Italia will continue to operate separately pending completion.

### MOBILINK AND WARID TELECOM MERGER RECEIVES FIRST REGULATORY APPROVAL FROM CCP

The Competition Commission of Pakistan ("CCP") has approved the merger of Mobilink and Warid Telecom. This approval is the first of four required approvals from local regulatory bodies, including the Pakistan Telecommunication Authority ("PTA"), the Securities and Exchange Commission Pakistan ("SECP") and the State Bank of Pakistan ("SBP"). The transaction is expected to close around the end of 2Q 2016, subject to fulfillment of relevant regulatory processes in Pakistan and the satisfaction of customary closing conditions.

### GTH ISSUED BONDS TOTALLING USD 1.2 BILLION GUARANTEED BY VIMPELCOM HOLDINGS TO REFINANCE ITS' SHAREHOLDER LOAN

On April 26, 2016, VimpelCom successfully priced a USD 1.2 billion dual tranche bond offering. The USD 500 million 6.25% Senior Notes due April 2020 and the USD 700 million 7.25% Senior Notes due April 2023 were issued by GTH Finance B.V., a wholly owned subsidiary of Global Telecom Holding S.A.E. ("GTH"), and guaranteed by VimpelCom Holdings B.V. Proceeds of the offering were loaned to and used by GTH to repay the shareholder loan from VimpelCom Amsterdam B.V., and will be used by VimpelCom for general corporate purposes.

### TELENOR PREFERENCE SHARES IN VIMPELCOM REDEEMED; CHANGE IN SHARE OWNERSHIP

As previously disclosed, Telenor did not give notice to the Company of an intention to convert its 305,000,000 voting preferred shares. The preferred shares have been redeemed by VimpelCom at a redemption price of USD 0.001 per share and are no longer outstanding. As a result, currently Telenor's voting and economic stake in

VimpelCom is 33%. On April 1, 2016, L1T VIP Holdings S.a.r.l. and Letterone Investment Holdings S.A. filed an amendment to their Schedule 13D to announce the transfer of 145,947,562 VimpelCom American Depositary Shares (representing approximately 8.3% of VimpelCom's total outstanding common shares) to Stichting Administratiekantoor Mobile Telecommunications Investor. As a result, LetterOne currently holds voting rights in VimpelCom equal to 47.9%.

### SETTLEMENTS WITH THE SEC/DOJ/OM REGARDING UZBEKISTAN INVESTIGATION

On February 18, 2016, VimpelCom announced agreements with the U.S. Securities and Exchange Commission ("SEC"), the U.S. Department of Justice ("DOJ"), and the Dutch Public Prosecution Service (Openbaar Ministerie) ("OM") relating to the previously disclosed investigations under the U.S. Foreign Corrupt Practices Act and relevant Dutch laws, pertaining to VimpelCom's business in Uzbekistan and prior dealings with Takilant Ltd. The relevant agreements have been approved by the authorities and relevant courts. As part of the agreements, VimpelCom paid fines and disgorgements to the SEC, DOJ and OM in an aggregate amount of USD 795 million. VimpelCom has agreed to a deferred prosecution agreement with the DOJ, a consent with the SEC, and a settlement agreement with the OM. In addition, VimpelCom's subsidiary in Uzbekistan, Unitel LLC, has entered into a guilty plea with the DOJ. VimpelCom has also agreed to oversight by an independent compliance monitor to promote continued, and regular, compliance enhancements across the Company and its subsidiaries. VimpelCom's cooperation in the investigation and actions in rapidly resolving this matter, together with substantial upgrades to its compliance program, have been recognized by the authorities in the agreements.

### NEW CEO APPOINTED IN ALGERIA

VimpelCom announced a new CEO of Optimum Telecom Algeria ("OTA"), a company operating under the Djezzy brand name on May 12, 2016. Tom Gutjahr will join on July 1, 2016 in order to lead Djezzy's digital transformation while leveraging its strong position in the local market. Tom has extensive experience of leading telecommunications companies in frontier markets. Prior to joining VimpelCom, Tom served as CEO of Airtel Uganda, and previously worked at Djezzy in senior roles from 2005 to 2008.

## GROUP PERFORMANCE 1Q 2016

- Revenue showed increasing organic growth of 4% YoY
- Underlying EBITDA organically increased by 2% YoY. Reported EBITDA declined 19% YoY mainly due to currency headwinds and exceptional items of USD 40 million related to performance transformation
- Reported net income of USD 189 million, of which USD 38 million from continued operations

## FINANCIALS BY BUSINESS UNIT

USD mln	1Q16	1Q15	Reported YoY	Organic YoY	Forex and Other
<b>Total revenue</b>	<b>2,023</b>	<b>2,312</b>	<b>(12%)</b>	<b>4%</b>	<b>(16%)</b>
Russia	890	1,067	(17%)	0%	(17%)
Emerging markets	710	724	(2%)	6%	(7%)
Eurasia	436	552	(21%)	5%	(26%)
HQ and eliminations	(13)	(31)	n.a.	n.a.	n.a.
<b>EBITDA</b>	<b>758</b>	<b>938</b>	<b>(19%)</b>	<b>(2%)</b>	<b>(17%)</b>
Russia	324	421	(23%)	(8%)	(15%)
Emerging markets	345	326	6%	15%	(9%)
Eurasia	218	265	(18%)	8%	(26%)
HQ and eliminations	(129)	(74)	n.a.	n.a.	n.a.
<b>EBITDA margin</b>	<b>37.5%</b>	<b>40.6%</b>	<b>(3.1p.p.)</b>		
<b>EBITDA underlying</b>	<b>799</b>	<b>945</b>	<b>(15%)</b>	<b>2%</b>	
Russia	325	421	(23%)	(7%)	
Emerging markets	353	333	6%	15%	
Eurasia	215	265	(19%)	7%	
HQ and eliminations	(94)	(74)	27%	n.a.	
<b>EBITDA margin underlying</b>	<b>39.5%</b>	<b>40.9%</b>	<b>(1.4p.p.)</b>	<b>(0.8p.p.)</b>	

**Total Group revenue** for 1Q 2016 decreased 12% to USD 2 billion due to adverse currency movements, while it increased organically 4% YoY, driven by positive performance in Pakistan, Bangladesh, Ukraine and Uzbekistan, partially offset by negative performance in Kazakhstan. Service revenue increased 3% YoY organically, due to strong growth in mobile data revenue of 27% YoY on an organic basis. Total mobile customers decreased by 0.9 million to 194 million at the end of 1Q 2016, mainly due to the impact of regulation of the telecom industry in Pakistan, requiring operators to block unverified SIMs in 2Q 2015. Excluding this effect, the Group customer base would have grown by 4.7 million YoY.

In **Russia**, total revenue was organically stable YoY with the reduction in fixed-line service revenue being offset by growth in mobile service revenue and increased sales of equipment and accessories. Fixed-line service revenue decreased by 11% YoY to RUB 10.9 billion mainly as a result of a change in B2B contracts from U.S. dollar to ruble and a reduction in low-margin traffic. Mobile service revenue increased organically 1% YoY, driven by 19% YoY growth in mobile data revenue to RUB 12.2 billion and growing interconnect revenue, partially offset by decreasing voice revenue.

Beeline's mobile customer base expanded by 4% to 57.7 million YoY mainly as a result of sales through the Svyaznoy retail channel and increased number of mono-brand stores.

In **Emerging markets**, total revenue increased organically 6% YoY in 1Q 2016, driven by strong results in Bangladesh and Pakistan, while in Algeria total revenue was organically stable YoY. This business unit continues to see customer growth, with 4.9 million customers added YoY, excluding the impact of unverified SIMs blocking in Pakistan in 2Q 2015 of 5.6 million customers. In Algeria, service revenue was organically stable YoY in 1Q 2016, as the decrease in voice revenue was offset by growth in data, content and interconnect revenue. In Pakistan, service revenue organically increased 12% YoY, mainly as a result of 80% YoY growth in mobile data revenue and strong growth in mobile financial service revenue of 55% YoY. In Bangladesh, service revenue organically grew by 6% YoY, driven by a strong growth in mobile data revenue of 60% YoY and a 3% YoY increase in voice revenue.

Total revenue in **Eurasia** increased organically 5% YoY, mainly driven by service revenue growth in Ukraine and Uzbekistan, partially offset by a decline in service revenue in Kazakhstan. In Ukraine, service revenue grew organically 13% YoY, as a result of the strong growth of mobile data revenue resulting from the successful launch of 3G from 2Q

2015 onwards. In Uzbekistan, service revenue organically increased 15% YoY primarily as a result of the impact of Beeline's price plans being denominated in U.S. dollars together with increased interconnect revenue and mobile data revenue growth. In Kazakhstan, service revenue organically decreased 7% YoY, driven by a 12% decline in mobile service revenue, partially offset by 29% YoY growth in fixed-line service revenue. Mobile service revenue organically decreased due to increased competition and a 38% YoY reduction in mobile termination rates (MTR) to KZT 5 from KZT 8. Excluding this reduction in MTR, mobile service revenue would have declined by only 4% YoY.

Reported **Group EBITDA** in 1Q 2016 declined to USD 758 million due to currency headwinds and exceptional items of USD 40 million, excluding which, underlying EBITDA was USD 799 million, an organic increase of 2% YoY.

The exceptional items primarily relate to the Group-wide performance transformation program.

In 1Q 2015, VimpelCom recognized exceptional items totaling USD 7 million, due to the SIM verification costs in Pakistan.

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

In **Russia**, EBITDA decreased organically 8% YoY mainly due to the fixed-line revenue decrease, the negative impact of the depreciation of the ruble, which impacted roaming and interconnect costs, increased distribution costs due to the growth of mono-brand stores, increased subsidies on data devices and one-off bad debt costs due to sub-optimal design and execution of certain prepaid bundles.

**Emerging markets** showed underlying EBITDA organic growth of 15% YoY driven by revenue growth and continued cost efficiency initiatives. In Algeria, underlying EBITDA increased 9% YoY due to the favorable change in interconnect rates and the impact of the performance transformation program. In Pakistan, underlying EBITDA increased organically by 20% YoY with a similar increase in Bangladesh of 26% YoY, both being driven by revenue growth and the impact of performance transformation initiatives on costs.

**Eurasia** reported an organic growth of 7% YoY in underlying EBITDA in 1Q 2016, mainly driven by strong revenue performance in Ukraine and Uzbekistan, partially offset by a decline in Kazakhstan. In Ukraine, underlying EBITDA increased organically by 42% YoY and in Uzbekistan by 7% YoY, driven by higher revenue. In Kazakhstan, underlying EBITDA decreased 24% YoY organically, mainly due to the revenue decline, increased service costs as a result of increased mobile off-net traffic and the negative impact on costs as a result of the devaluation of the Kazakh tenge, as well as increased network costs and general and administrative expenses.

## INCOME STATEMENT ELEMENTS & CAPITAL EXPENDITURES

USD mln	1Q16	1Q15	YoY
<b>Total revenue</b>	<b>2,023</b>	<b>2,312</b>	<b>(12%)</b>
Service revenue	1,953	2,260	(14%)
<b>EBITDA</b>	<b>758</b>	<b>938</b>	<b>(19%)</b>
<b>EBITDA margin</b>	<b>37.5%</b>	<b>40.6%</b>	<b>(3.1p.p.)</b>
Depreciation and amortization and other	(454)	(630)	(28%)
<b>EBIT</b>	<b>304</b>	<b>308</b>	<b>(1%)</b>
Financial income and expenses	(168)	(215)	(22%)
Net foreign exchange (loss)/gain and others	19	(101)	(119%)
<b>Profit/(loss) before tax</b>	<b>155</b>	<b>(8)</b>	<b>n.m</b>
Income tax expense	(117)	(80)	46%
<b>Profit/(loss) from continued operations</b>	<b>38</b>	<b>(88)</b>	<b>n.m</b>
<b>Profit/(loss) from discontinued operations</b>	<b>197</b>	<b>261</b>	<b>(24%)</b>
<b>Net income/(loss) attributable to VimpelCom shareholders</b>	<b>189</b>	<b>184</b>	<b>3%</b>
	<b>1Q16</b>	<b>1Q15</b>	<b>YoY</b>
Capex expenditures	195	264	(26%)
Capex expenditures excl licenses	151	210	(28%)
LTM Capex excl licenses/revenue	18%	20%	

**EBIT** was stable YoY in 1Q 2016 at USD 304 million as a result of lower depreciation, amortization and impairments, which offset the negative effect of FOREX movements on reported EBITDA. Depreciation and amortization decreased YoY as a result of both depreciating currencies and the recording in 1Q 2015 of USD 98 million of impairments related to Ukraine and Armenia, while the impairment charges in 1Q 2016 were only USD 8 million.

**Profit before tax** increased YoY to USD 155 million as a result of lower financial expenses and foreign exchange gains recorded in 1Q 2016, while the Company recorded foreign exchange losses last year. The lower financial expenses in 1Q 2016 compared to 1Q 2015 reflects the completion of USD bond tender offer in early 2Q 2015.

**Income tax expenses** increased YoY in 1Q 2016 to USD 117 million due to both the change in the tax regime in Uzbekistan which caused the effective tax rate in that country to exceed 50% and improved results in the Emerging markets business unit.

**Profit from discontinued operations** decreased to USD 197 million in 1Q 2016, due to the fact that in 1Q 2015 the Company recorded a one-off gain of USD 322 million from a tower sale in Italy. Excluding this extraordinary item, the profit from discontinued operations improved YoY mainly due to the fair valuation of the call options embedded in the bonds and significantly lower financial expenses as a result of the refinancing of WIND Italy.

**Net income** attributable to VimpelCom shareholders was USD 189 million, which was negatively impacted by exceptional items amounting to USD 40 million in 1Q 2016.

**Capex** decreased 26% YoY to USD 195 million in 1Q 2016 due to currency depreciation and a USD 98 million reduction in network inventory and construction-in-progress. The Company will maintain its strategy of investing in high-speed data networks to capture mobile data growth, including the continued roll-out of 4G/LTE networks in Russia and Italy and 3G networks in Algeria, Bangladesh, Pakistan and Ukraine.

## FINANCIAL POSITION & CASH FLOW

USD mln	1Q16	4Q15	QoQ
Total assets	33,969	33,854	0%
Shareholders' equity	4,045	3,765	7%
Gross debt	9,686	9,544	1%
Net debt	6,407	5,496	17%
Net debt / underlying LTM EBITDA	1.7	1.4	

USD mln	1Q16	1Q15	YoY
<b>Net cash from / (used in) operating activities</b>	<b>(238)</b>	<b>(764)</b>	<b>526</b>
from continued operations	(361)	(876)	515
from discontinued operations	123	112	11
<b>Net cash from / (used in) investing activities</b>	<b>(551)</b>	<b>50</b>	<b>(601)</b>
from continued operations	(360)	(480)	120
from discontinued operations	(191)	530	(721)
<b>Net cash from / (used in) financing activities</b>	<b>26</b>	<b>1,137</b>	<b>(1,111)</b>
from continued operations	36	1,646	(1,610)
from discontinued operations	(10)	(509)	500

**Gross debt** increased 1% QoQ mainly due to currency appreciation against the USD in 1Q 2016.

**Net debt** increased 17% QoQ, mainly due to a decrease in cash and cash equivalents as a result of the USD 795 million payment of fines and disgorgements in relation to agreements with the SEC, DOJ and OM.

**Net cash used in operating activities** was significantly influenced by exceptional payments in each period. In 1Q 2015, the completion of the Algerian transaction resulted in payments to the Bank of Algeria of USD 1,060 million, to Cevital of USD 50 million and withholding tax of USD 202 million related to the pre-closing dividend; in addition USD 7 million payments related to SIM verification in Pakistan. In 1Q 2016, the figure reflects the payment of USD 795 million of fines and disgorgements in relation to agreements with the SEC, DOJ and OM, related legal costs of USD 10 million and USD 44 million cash out mostly

related to performance transformation initiatives. Excluding these exceptional payments, the underlying net cash from operating activities would have improved by USD 56 million with an inflow of USD 555 million in 1Q 2015 increasing to USD 611 million in 1Q 2016.

**Net cash flow used in investing** activities decreased YoY mainly due to net proceeds from a tower sale in Italy in 1Q 2015 of USD 750 million.

**Net cash used in financing activities** decreased YoY. In 1Q 2015, it included the net sale proceeds of USD 2.3 billion from closing the transaction in Algeria and a drawdown under the loan facility in Algeria for USD 0.6 billion, partially offset by debt repayments of USD 1.6 billion.

## COUNTRY PERFORMANCE - 1Q 2016

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



## FINANCIALS BY COUNTRY

USD mln	1Q16	1Q15	Reported YoY	Organic YoY
<b>Service revenue</b>	<b>1,953</b>	<b>2,260</b>	<b>(14%)</b>	<b>3%</b>
Russia	852	1,036	(18%)	(1%)
Algeria	276	320	(14%)	(0%)
Pakistan	257	236	9%	12%
Bangladesh	153	145	6%	6%
Ukraine	135	151	(10%)	12%
Kazakhstan	79	164	(51%)	(7%)
Uzbekistan	165	167	(1%)	15%
Kyrgyzstan	31	38	(18%)	(0%)
Armenia	22	26	(16%)	(14%)
Tajikistan	19	26	(27%)	(27%)
Georgia	10	14	(30%)	(17%)
HQ and eliminations	(47)	(62)	n.a.	n.a.
<b>EBITDA reported</b>	<b>758</b>	<b>938</b>	<b>(19%)</b>	<b>(2%)</b>
Russia	324	421	(23%)	(8%)
Algeria	158	169	(6%)	9%
Pakistan	116	96	21%	25%
Bangladesh	70	60	18%	19%
Ukraine	71	63	13%	43%
Kazakhstan	31	81	(61%)	(26%)
Uzbekistan	100	105	(4%)	11%
Kyrgyzstan	17	21	(16%)	2%
Armenia	8	9	(13%)	(11%)
Tajikistan	12	14	(15%)	(15%)
Georgia	2	2	(4%)	14%
HQ and eliminations	(152)	(102)	n.a.	n.a.
<b>EBITDA Underlying</b>	<b>799</b>	<b>945</b>	<b>(15%)</b>	<b>2%</b>
Russia	325	421	(23%)	(7%)
Algeria	158	169	(6%)	9%
Pakistan	119	103	16%	20%
Bangladesh	75	60	25%	26%
Ukraine	71	63	12%	42%
Kazakhstan	32	81	(60%)	(24%)
Uzbekistan	97	105	(7%)	7%
Kyrgyzstan	17	21	(16%)	2%
Armenia	8	9	(13%)	(11%)
Tajikistan	12	14	(15%)	(15%)
Georgia	2	2	0%	18%
HQ and eliminations	(118)	(102)	n.a.	n.a.

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

## RUSSIA

RUB mln	1Q16	1Q15	YoY
Total revenue	66,297	66,276	0%
Mobile service revenue	52,620	52,148	1%
Fixed-line service revenue	10,862	12,200	(11%)
EBITDA	24,159	26,130	(8%)
EBITDA underlying	24,212	26,130	(7%)
EBITDA margin	36.4%	39.4%	(3.0p.p.)
EBITDA margin underlying	36.5%	39.4%	(2.9p.p.)
Capex excl licenses	3,181	5,179	(39%)
LTM Capex excl licenses /revenue	18%	19%	(1.0p.p)
<b>Mobile</b>			
Total revenue	55,371	54,024	2%
- of which mobile data	12,188	10,204	19%
Customers (mln)	57.7	55.7	4%
- of which data users (mln)	32.6	31.0	5%
ARPU (RUB)	291	300	(3%)
MOU (min)	315	303	4%
Data usage (MB)	1,931	1,483	30%
<b>Fixed-line</b>			
Total revenue	10,926	12,252	(11%)
Broadband revenue	2,811	3,168	(11%)
Broadband customers (mln)	2.2	2.3	(4%)
Broadband ARPU (RUB)	422	459	(8%)

The macro-economic slowdown and weakened ruble continued to negatively impact revenue growth and profitability in Russia. In addition, the company saw signs of increasing competition during the first quarter.

Beeline's mobile customer base expanded 4% YoY to 57.7 million in 1Q 2016 mainly as a result of sales through the Svyaznoy retail channel and an increased number of mono-brand stores, representing the sixth consecutive quarter of year on year customer growth. Annualized churn increased eight percentage points YoY to 64%. NPS was stable, positioning Beeline on par among the three largest operators.

Total service revenue in 1Q 2016 declined 1% YoY to RUB 63.5 billion, as a result of a decline in fixed-line service revenue. At the same time, mobile service revenue increased 1% YoY to RUB 52.6 billion, driven by 19% YoY growth in mobile data revenue to RUB 12.2 billion and growing interconnect revenue. The increase in mobile data revenue was attributable to the active bundle promotion and customer traffic growth, although this was partially offset by lower voice and roaming revenue due to an average price per minute reduction as existing customers continued to migrate to the company's current price plans.

Fixed-line service revenue decreased by 11% YoY to RUB 10.9 billion mainly as a result of a change in B2B contracts from U.S. dollar to ruble and a reduction in low-margin traffic.

In Russia, EBITDA decreased organically 8% YoY mainly due to the fixed-line revenue decrease, the negative impact of the depreciation of the ruble, which impacted roaming and interconnect costs, increased distribution costs due to the growth of mono-brand stores, increased subsidies on data devices and one-off bad debt costs due to sub-optimal design and execution of certain prepaid bundles. The decline was partly offset by cost savings as a result of the performance transformation initiatives. The company booked RUB 53 million in costs related to the performance transformation program in 1Q 2016. Excluding the negative effect of the weakening ruble, EBITDA would have decreased by 6% YoY.

In March 2016, Beeline launched Russia's first mobile virtual network operator (MVNO) service for migrants in partnership with SIM TELECOM. As part of the agreement, VimpelCom acquired a 50.3% controlling interest in SIM TELECOM, which will become a fully-fledged MVNO within VimpelCom's network in Russia.

Furthermore, Beeline successfully launched a fixed mobile convergence offer, introducing a bundle combining mobile and fixed-broadband services.

Capex including licenses decreased 35% YoY to RUB 3.6 billion, due to phasing and capital efficiency improvements, mainly as a result of savings from centralizing the VimpelCom Group's procurement. The capex to revenue for 1Q 2016 for the last twelve months ("LTM") was 18%.

## ALGERIA

DZD bln	1Q16	1Q15	YoY
Total revenue	30.0	30.0	0%
Mobile service revenue	29.7	29.8	(0%)
of which mobile data	1.7	0.7	135%
EBITDA	17.1	15.7	9%
EBITDA Underlying	17.1	15.7	9%
EBITDA margin	56.8%	52.3%	4.4p.p.
EBITDA Underlying margin	56.8%	52.3%	4.4p.p.
Capex excl licenses	2.9	4.2	(32%)
LTM Capex excl licenses/revenue	14%	23%	(9.0p.p.)
<b>Mobile</b>			
Customers (mln)	16.7	17.1	(2%)
- of which mobile data customers (mln) <sup>1</sup>	4.3	1.8	134%
ARPU (DZD)	583	566	3%
MOU (min)	348	344	1%
Data usage (MB)	295	208	42%

<sup>1)</sup> Data customers were restated in order to comply with VimpelCom Group definition

Djezzy continued to implement its transformation program in 1Q 2016 which will be its main focus of this year. In 1Q 2016 there is a clear YoY improvement in the revenue trend, however the market remains challenging with ongoing aggressive price competition and device promotions. The company will focus its transformation program on commercial recovery and expects stabilization of its customer base.

Djezzy's service revenue stood at DZD 29.7 billion, down 5% QoQ and almost stable YoY, as growth in data, content and interconnect revenues compensated for a decline in voice revenue. Djezzy continued to face high value customer churn, while ARPU was positively affected by an additional calendar day in February 2016. Data revenue continued its strong growth, doubling YoY, due to the higher usage and substantial increase in data customers as a result of the 3G roll-out.

Interconnect revenue growth was a result of a change in interconnection rates in 3Q 2015 which is favorable for Djezzy as it partially reduced the asymmetry on the rates. The national incoming interconnect rate increased from DZD 0.96 to DZD 1.1 and outgoing interconnect rate decreased from DZD 2.2 to DZD 1.8-1.9.

The customer base continued to decline 2% YoY to 16.7 million in 1Q 2016, as a result of price competition and a gap versus competitors in 3G roll-out.

In 1Q 2016, EBITDA increased 9% YoY to DZD 17.1 billion due to the favorable change in interconnect rates and the positive impact of the performance transformation program. EBITDA margin remained robust at 57%.

Djezzy continued its investments in its high-speed 3G network and 2G network modernization. In 1Q 2016, Capex excluding licenses was DZD 2.9 billion, a 32% decrease YoY due to the intensive roll-out of 3G in 2015 while the capex to revenue ratio for LTM was at 14%. In November 2015, Djezzy received approval to roll-out 3G to all regions in Algeria by the end of 2016 compared to the initial license condition not to do so until 2017. In 1Q 2016, Djezzy launched 3G in five new regions and, as a result, Djezzy's 3G network covered 60% of the country's population at the end of 1Q 2016 with 75% population coverage planned for the end of 4Q 2016.

Djezzy completed the tender for 4G/LTE frequencies with an April 2016 submission date. This process was only open to existing Mobile National Operators ("MNO's") and an award is expected in 2Q 2016 with 4G/LTE access planned for commercial launch in 3Q 2016.

## PAKISTAN

PKR bln	1Q16	1Q15	YoY
Total revenue	28.6	25.3	13%
Mobile service revenue	27.0	24.0	12%
of which mobile data	3.4	1.9	80%
EBITDA	12.2	9.7	25%
EBITDA Underlying	12.5	10.4	20%
EBITDA margin	42.6%	38.5%	4.1p.p.
EBITDA Underlying margin	43.8%	41.3%	2.5p.p.
Capex excl licenses	1.3	2.6	(51%)
LTM Capex excl licenses /revenue	22%	32%	(10.4p.p)
<b>Mobile</b>			
Customers (mln)	38.1	38.2	(0.2%)
- of which mobile data customers (mln)	18.3	14.8	24%
ARPU (PKR)	234	203	15%
MOU (min)	692	559	24%
Data usage (MB)	297	298	0%

Mobilink's market position continued to improve in 1Q 2016, demonstrating strong performance with double-digit YoY growth.

In 1Q 2016, Mobilink's revenue increased 13% YoY and mobile service revenue increased 12% YoY to PKR 27 billion. This was a result of growth observed in all revenue streams, but primarily in data revenue, which grew 80% YoY. This development was driven by successful data monetization initiatives, data devices promotions and 3G network expansion.

Data monetization initiatives included attractive bundle offers and unification of the tariff portfolio. In addition, Mobilink has launched several new data services to drive network usage, including entertainment services such as Mobilink TV and Mobistream.

In order to stimulate the growth of smartphone penetration in 1Q 2016, Mobilink continued to promote co-branded devices from low end feature phones to high end smartphones and tablets under the 'Jazz X' brand. Mobilink also invested in its distribution capabilities through launching mono-brand stores and establishing strategic partnerships with leading handset suppliers.

The company now offers 3G in over 300 cities in Pakistan, many of which previously had no access to broadband services. As a result, Mobilink continues to lead the market with over 18.3 million mobile data customers, of which 8.5 million are 3G data customers.

Mobile Financial Services (MFS) revenue continued to show good growth momentum of 55% YoY due to an

increase in over-the-counter ("OTC") transactions and higher agents' activity. As a result, MFS revenue now represents 3% of service revenue.

Mobilink's customer base increased 5% QoQ in 1Q 2016, driven by distribution channel effectiveness, and continued focus on price simplicity and transparency for its customers. However, as a result of the blocking of unverified SIMs due to the SIM verification process, the customer base decreased 0.2% YoY to 38.1 million in 1Q 2016. The company sees data and voice monetization as the key priorities, underpinned by a focus on improving network quality of service and NPS.

Underlying EBITDA margin increased 2.5 percentage points YoY to 43.8% in 1Q 2016, representing sustainable growth as a result of the above mentioned revenue increase.

Capex decreased to PKR 1.3 billion YoY in 1Q 2016, while the LTM capex to revenue ratio was 22%, as Mobilink continues to invest in its high-speed 3G network roll-out.

In November 2015, VimpelCom announced it had reached an agreement to merge Mobilink with Warid Telecom to create the leading high-speed mobile operator in Pakistan. In March 2016, the company received the approval from the Competition Commission of Pakistan, which is the first of four approvals from the local regulatory bodies required. The transaction is expected to close around the end of 2Q 2016 (subject to obtaining the outstanding approvals and the satisfaction of customary closing conditions).

## BANGLADESH

BDT bln	1Q16	1Q15	YoY
Total revenue	12.2	11.4	6%
Mobile service revenue	12.0	11.3	6%
of which mobile data	1.1	0.7	60%
EBITDA	5.5	4.6	19%
EBITDA Underlying	5.9	4.6	26%
EBITDA margin	45.3%	40.6%	4.7p.p.
EBITDA Underlying margin	48.1%	40.6%	7.6p.p.
Capex excl licenses	1.3	0.9	44%
LTM Capex excl licenses /revenue	23%	28%	(5.6p.p)
<b>Mobile</b>			
Customers (mln)	31.6	31.8	(0.7%)
- of which mobile data customers (mln)	14.4	12.9	12%
ARPU (BDT)	124	119	4%
MOU (min)	311	295	6%
Data usage (MB)	157	65	141%

Banglalink continued to demonstrate strong growth and an improving financial performance despite intense market competition in 1Q 2016. The main focus during the quarter was ongoing SIM verification. This government-mandated initiative started in Bangladesh in December 2015, and requires mobile phone operators to verify each customer using fingerprints in order to ensure authentic registration, proper accountability and increased security.

In 1Q 2016, Banglalink's total revenue increased 6% YoY to BDT 12.2 billion, despite the negative impact from the imposition of 3% duty on mobile usage from July 2015 and an additional 1% surcharge from March 2016. The increase in revenue was mainly attributable to a 60% YoY increase in data revenue and a 3% YoY increase in voice revenue. The data revenue growth was driven by data usage increase of 141% YoY and growth in data users of 12% YoY supported by expanding 3G coverage and rising smartphone penetration while voice revenue rose mainly due to higher minutes of usage. Despite aggressive price competition, Banglalink's ARPU increased 4% YoY mainly on the back of growing data usage and the additional calendar day in February 2016.

The customer base declined 1% YoY in 1Q 2016 as the introduction of strict identity verification procedures contributed to a slowdown of customer growth across the market. However, Banglalink is one of the leaders in this mobile security initiative, and managed to verify 72% of customers by the end of April 2016. This verification initiative will also provide a solid and secure customer base to develop new revenue from mobile services in e-commerce, content and payment solutions, following our digital leadership strategy.

In 1Q 2016, the company's underlying EBITDA, excluding one-offs which were mainly related to restructuring costs for the performance transformation program, grew 26% YoY to BDT 5.9 billion driven by the revenue growth and performance transformation initiatives, particularly in human resources and maintenance costs. As a result, the underlying EBITDA margin grew to 48.1%.

Capex increased 44% YoY to BDT 1.3 billion in 1Q 2016, while the LTM capex to revenue ratio remained broadly stable at 23%. Banglalink continues to invest in high-speed data networks with 34% of the population covered by the 3G network at the end of 1Q 2016.

## UKRAINE

UAH mln	1Q16	1Q15	YoY
Total revenue	3,478	3,092	12%
Mobile service revenue	3,210	2,851	13%
Fixed-line service revenue	259	233	11%
EBITDA	1,830	1,278	43%
EBITDA underlying	1,810	1,278	42%
EBITDA margin	52.6%	41.3%	11.3p.p.
EBITDA underlying margin	52.0%	41.3%	10.7p.p.
Capex excl licenses	249	742	(66%)
LTM Capex excl licenses /revenue	22%	17%	5.3p.p.
<b>Mobile</b>			
Total operating revenue	3,220	2,859	13%
of which mobile data	496	281	76%
Customers (mln)	25	26	(3%)
of which data customers(mln)	10.3	11.3	(8%)
ARPU (UAH)	42	36	16%
MOU (min)	572	536	7%
Data usage	229	150	52%
<b>Fixed-line</b>			
Total operating revenue	259	233	11%
Broadband revenue	148	117	26%
Broadband customers (mln)	0.8	0.8	(1%)
Broadband ARPU (UAH)	61	48	27%

Kyivstar continued to deliver strong results in 1Q 2016, despite a challenging macro-economic environment and weakening local currency. Furthermore, competition has intensified and the company expects this to increase going forward. Kyivstar continued to roll-out its 3G network in 1Q 2016, reaching more than 600 cities, towns and settlements, equivalent to 40% of the population. The company also benefited from a strong growth trend in mobile data usage which continued during the quarter. Finally, Kyivstar also maintained its NPS leadership position in the market.

Total service revenue increased 12% YoY to UAH 3.5 billion in 1Q 2016. Mobile service revenue grew 13% YoY to UAH 3.2 billion as a result of strong growth of mobile data revenue and successful commercial activities. Mobile data revenue experienced strong growth of 76% YoY driven by the continued 3G roll-out, active promotions of smartphones and data-oriented tariff plans.

Kyivstar's mobile customer base decreased 3% YoY to 25.3 million in 1Q 2016, mainly as a result of increased competition, resulting in lower gross adds. On an annual basis, churn improved by two percentage points YoY to 20%.

Fixed-line service revenue increased 11% YoY to UAH 259 million, supported by fixed residential broadband (FTTB) revenue, which continued to outgrow the market, increasing 26% YoY, driven primarily by FTTB re-pricing.

EBITDA increased 43% YoY to UAH 1.8 billion in 1Q 2016 and EBITDA margin grew 11.3 percentage points YoY to 52.6%, driven by higher revenue, lower interconnect costs and lower structural opex, which was partially offset by an increase in frequency fees due to the 3G license, higher utility and rental costs, and a negative currency devaluation effect. EBITDA was positively impacted by a reversal of tax provisions and other one-off items of net UAH 22 million, while the company booked UAH 1.3 million related to the performance transformation program in 1Q 2016. Underlying EBITDA as adjusted for these exceptional items increased 42% YoY.

1Q 2016 Capex was UAH 249 million and the LTM capex to revenue ratio was 22%, with operating cash flow margin, defined as EBITDA less capex, at a strong level of 45% in 1Q 2016.

## KAZAKHSTAN

KZT mln	1Q16	1Q15	YoY
<b>Total revenue</b>	28,723	30,284	(5.2%)
Mobile service revenue	23,424	26,537	(12%)
Fixed-line service revenue	4,784	3,707	29%
EBITDA	11,119	14,981	(26%)
Underlying EBITDA	11,444	14,981	(24%)
EBITDA margin	38.7%	49.5%	(10.8p.p.)
Underlying EBITDA margin	39.8%	49.5%	(9.6p.p.)
Capex excl licenses	3,838	1,239	210%
LTM Capex excl licenses /revenue	16%	14%	1.2p.p
<b>Mobile</b>			
Total revenue	23,931	26,564	(10%)
-of which mobile data	5,775	5,456	6%
Mobile customers (mln)	9.2	9.6	(4%)
- of which mobile data customers (mln)	4.8	5.2	(6%)
Mobile ARPU (KZT)	806	898	(10%)
MOU (min)	299	273	10%
Data usage (MB)	1,010	414	144%
<b>Fixed-line</b>			
Total revenue	4,792	3,720	29%
Broadband revenues	774	625	24%
Broadband customers (mln)	0.2	0.2	9%
Broadband ARPU (KZT)	3,332	2,942	13%

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

Total service revenue decreased 7% YoY to KZT 28.2 billion, due to a 12% YoY decline in mobile service revenue, partially offset by a 29% YoY growth in fixed-line service revenue.

The decrease in mobile service revenue to KZT 23.4 billion was driven by increased competition and a 38% YoY reduction in MTR to KZT 5 from KZT 8. Excluding the MTR reduction, mobile service revenue would have decreased by 4% YoY. Mobile data revenue increased 6% YoY, driven by strong growth in mobile data ARPU of 19% YoY to KZT 424.

ARPU decreased 10% YoY to KZT 806, mainly due to the MTR reduction and declining voice revenue, reflecting the competitive market, particularly in bundled tariff plans.

Mobile customers declined 4% YoY to 9.2 million as customers move more towards a single SIM as a result of increased bundle penetration, while annualized churn increased two percentage points to 58%.

The growth in fixed-line service revenue continued and was due to strong growth in FTTB revenue, B2O revenue as a result of new clients in 2015 and 50% YoY growth in termination revenue, mainly driven by KZT devaluation, as prices are quoted in FOREX.

EBITDA decreased 26% YoY to KZT 11.1 billion and EBITDA margin declined 10.8 percentage points to 38.7%, mainly due to the revenue decline, increased service costs as a result of increased mobile off-net traffic and the negative impact on costs as a result of the devaluation of the Kazakh tenge, as well as increased network costs and G&A expenses. EBITDA was negatively impacted in 1Q 2016 due to KZT 324 million in exceptional costs relating to the performance transformation costs. Underlying EBITDA, adjusted for the aforementioned exceptional costs decreased 24% YoY.

Capex was KZT 3.8 billion in 1Q 2016, and the LTM capex to revenue was 16% at the end of 1Q 2016. The number of 3G sites grew 18% YoY and 3G population coverage reached 65% at the end of the quarter.

## UZBEKISTAN

Mobile service revenue increased 15% YoY to UZS 465 billion mainly as a result of the impact of Beeline's price plans being denominated in U.S. dollars, increased interconnect revenue and mobile data revenue growth. Mobile data revenue increased 7% YoY driven by 25% YoY growth in mobile data ARPU but was partially offset by a decrease in mobile data customers. Overall mobile ARPU increased 22% YoY. The customer base decreased 8% YoY to 9.5 million due to the launch of two new mobile operators in the market in 2015, with annualized churn increasing five percentage points to 53%. EBITDA increased 11% YoY to UZS 285 billion, with an EBITDA margin decline of 1.9 percentage points YoY to 60.8%. The increased customer tax to UZS 1,500 per customer from UZS 750 negatively impacted EBITDA margin by 6.4 percentage points. EBITDA was positively impacted by one-offs related to a partial reversal of a legal provision booked in 3Q 2015 of UZS 5.2 billion and bad debts of UZS 3.9 billion. Underlying EBITDA as adjusted for these exceptional items increased 7% YoY.

Capex was UZS 85 billion and the LTM capex to revenue was 12% as a result of an 18% YoY growth in 3G sites.

Going forward, Beeline expects competition to increase while new government tax measures will negatively impact EBITDA in 2016. The company aims to maintain its leading market position in Uzbekistan by focusing on customer retention and high value customers.

## KYRGYZSTAN

Mobile service revenue was stable YoY at KGS 2.3 billion, as the growth in interconnect and mobile data revenue was offset by a decrease in voice revenue. The growth in interconnect revenue was driven by increased traffic and currency fluctuations. Mobile data revenue grew 4% YoY to KGS 304 million, with mobile data ARPU increasing by 6% YoY. Voice revenue declined as a result of the intense competition and weakening macroeconomic conditions.

The customer base decreased 6% YoY to 2.5 million due to the competitive environment, the increase in migration to Russia after Kyrgyzstan entered the Eurasian Customs Union (EACU) on August 6, 2015, and disconnections of unregistered customers due to the verification law. The company is the leader in NPS, strengthening its position due to its high quality network and attractive pricing. EBITDA increased by 2% and EBITDA margin increased by 1.3 percentage points YoY to 54.8%, driven by the increase in revenue and ongoing network cost optimization efforts.

## ARMENIA

Service revenue decreased by 14% YoY to AMD 10.6 billion, due to declining mobile and fixed-line service revenue. Mobile service revenue decreased 9% YoY to AMD 4.8 billion, mainly due to declining voice revenue as a result of the continued weak macro-economic environment and decreasing international interconnect revenue. However, mobile data revenue grew by 12% YoY driven by the mobile customer base increasing 7% YoY as a result of the attractive value proposition and promotion of data bundles, resulting to a leading position in NPS and growth in customer market share. Churn improved four percentage points YoY to an annualized rate of 34%. Fixed-line service revenue decreased 17% YoY to AMD 5.8 billion, mainly due to a decline in voice revenue, a decrease in traffic termination revenue and a reduction in the fixed-line customer base.

EBITDA decreased 11% YoY to AMD 3.9 billion in a declining market, but the company gained EBITDA market share, while EBITDA margin increased by 0.6 percentage points to 35.8%. Although Capex decreased YoY due to phasing, the company strengthened its network. Furthermore, Beeline successfully launched fixed mobile convergence services, introducing a new prepaid bundle with a single bill for mobile voice, data and broadband.

## TAJIKISTAN

The environment in Tajikistan remains challenging with increasing competition and currency headwinds. Mobile service revenue decreased 27% YoY to USD 19 million, mainly due to lower incoming international traffic as a result of fewer migrants living abroad due to the macro-economic slowdown in the region and a weakening local currency. Furthermore, mobile voice revenue decreased due to a growing proportion of on-net calls. Mobile data revenue decreased 32% YoY in the quarter due to suspensions of certain popular websites and social networks and a weakening currency. Although the customer base decreased 6% to 1.2 million in a declining market, the company outperformed the market and continued to improve its network quality through investment in new power supply systems. As a result, the company improved its NPS and is par with other operators in Tajikistan. EBITDA decreased 15% YoY to USD 11.8 million due to the revenue decline and EBITDA margin increased nine percentage points to 61.3% driven by lower international and local interconnect costs. Capex during the quarter was negative, due to an adjustment of USD 0.9 million related to Capex booked in December 2015.



## GEORGIA

The company's total service revenue decreased by 17% YoY, as a result of a decrease in mobile service revenue, which declined by 7% YoY to GEL 25 million and the cancellation of fixed-line transit traffic. The decrease in mobile service revenue was caused by declining voice revenue as a result of increased competition. The mobile customer base decreased 4% YoY and churn increased due to tariff adjustments. Mobile data revenue grew 35% YoY, driven by the strong growth in mobile data customers as a result of the 4G/LTE launch in February 2015 and a 30% increase in mobile data ARPU. EBITDA increased 14% YoY and EBITDA margin increased 5.2 percentage points to 19.5%, driven by savings in business costs and structural opex and a one-off adjustment of GEL 0.2 million in 1Q 2016 related to guest roaming. Underlying EBITDA, adjusted for the aforementioned one-off in 1Q 2016, increased 18% YoY.

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

EUR mln	1Q16	1Q15	YoY
Total revenue	1,064	1,078	(1%)
Mobile service revenue	703	705	(0%)
Fixed-line service revenue	263	278	(5%)
EBITDA	381	406	(6%)
EBITDA margin	36%	38%	(1.9p.p.)
Capex excl licenses	172.2	172.2	0.0%
LTM Capex excl licenses/revenue	18%	17%	0.3p.p.
<b>Mobile</b>			
Total revenue	796	781	2%
- of which mobile data	174	154	13%
Customers (mln)	20.9	21.4	(2%)
- of which data customers (mln)	11.6	10.9	6%
ARPU (EUR)	11	11	2%
MOU (min)	270	267	1%
Data usage (MB)	1,742	1,392	25%
<b>Fixed-line</b>			
Total revenue	269	297	(10%)
Total voice customers (mln)	2.8	2.8	(2%)
ARPU (EUR)	27.3	27.9	(2%)
Broadband customers (mln)	2.3	2.2	3%
Broadband ARPU (EUR)	20.5	21.1	(3%)
Dual-play customers (mln)	2.1	2.0	7%

Total revenue in 1Q 2016 decreased 1.3% YoY to EUR 1.1 billion, driven by a decline in fixed-line revenue coupled with lower other revenue partially offset by a stabilization of mobile service revenue and a further increase in mobile handset sales, resulting from the growing success of WIND's 'Telefono Inclusivo' bundles. Service revenue declined 1.7% YoY with an improving trend in the rates of YoY decline in both mobile and fixed-line.

In 1Q 2016, mobile service revenue was broadly stable YoY at EUR 703 million reflecting a further sequential improvement over previous quarters. Mobile data revenue continued to grow at double digit rates (13.0% YoY) reaching EUR 174 million, following a 6.4% increase in data users to 11.6 million, which now represents more than half of WIND's total mobile customer base of 20.9 million.

Mobile ARPU in 1Q 2016 increased 1.5% YoY at EUR 11.0 confirming the signs of gradual market recovery seen throughout 2015. Data ARPU increased 5.6% YoY, more than offsetting the slight decline in the voice component, and now accounts for 43.5% of total ARPU.

In fixed-line, service revenue decreased 5.5% YoY to EUR 263 million mainly due to fixed to mobile substitution, which caused a double digit decline of voice volumes,

coupled with a further decrease in the indirect customer base of 27% YoY driven by WIND's local loop unbundling ("LLU") focused strategy. Additionally, in 1Q 2016, the company saw a growing preference by customers for lower monthly fee bundles including unlimited DSL and pay per use voice. The performance in voice was offset by solid result in fixed LLU broadband, with revenue up 4.5% to EUR 123 million driven by a broadband customer base increase of 3.3% YoY, with the dual-play component growing by a solid 7.4%.

WIND's EBITDA in 1Q 2016 decreased 6.3% reaching EUR 381 million mainly due to the impact of the tower sale at the end of 1Q 2015 while EBITDA margin in 1Q 2016 was 35.8%. Excluding the tower sale, EBITDA decreased 3.2% YoY.

In 1Q 2016, WIND invested EUR 172 million in the expansion of the 4G/LTE network, which now covers 58% of the population, as well as increasing the capacity and coverage of the existing HSPA+ network.

In April 2016, WIND and Enel Open Fiber signed a strategic and commercial partnership for the development of the telecommunications ultra-broadband network across the entire country.

## CONFERENCE CALL INFORMATION

On May 12, 2016, VimpelCom will host an analyst & investor conference call on its 1Q 2016 results at 2:00 pm CET (1:00 pm BST). The call and slide presentation may be accessed at <http://www.vimpelcom.com>

### **2:00 pm CET investor and analyst conference call**

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

Confirmation Code: 7526428

International call-in number: + 1 (646) 254 3388

Confirmation Code: 7526428

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The conference call replay and the slide presentations webcast will be available until May 25, 2016.

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

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

US Replay Number: +1 (866) 932 5017

Confirmation Code: 9715424

UK Replay Number: 0 800 358 7735

Confirmation Code: 9715424

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## DISCLAIMER

This press release contains “forward-looking statements”, as the phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Forward-looking statements are not historical facts, and include statements relating to, among other things; the Company’s stated 2016 performance targets; future market developments and trends; expected synergies and timing of completion of the Italy joint venture and the Warid Telecom transaction; operational and network development and network investment, including expectations regarding the roll out and benefits of 4G/LTE in Russia and Italy, anticipated timing of roll-out and benefits from 3G services in Algeria, Pakistan and Ukraine and the Company’s ability to realize its targets and strategic initiatives in the various countries of operation. The forward-looking statements included in this release are based on management’s best assessment of the Company’s strategic and financial position and of future market conditions, trends and other potential developments. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of continued volatility in the economies in our markets, unforeseen developments from competition, governmental regulation of the telecommunications industries, general political uncertainties in our markets, government investigations or other regulatory actions and/or litigation with third parties, failure to satisfy or waive the conditions to completion of all or any of the Italy joint venture and the Warid Telecom transaction, failure to obtain the requisite regulatory approvals or the receipt of approvals on terms not acceptable to the parties to these transactions, failure of the expected benefits of the Italy joint venture and the Warid Telecom transaction to materialize as expected or at all due to, among other things, the parties’ inability to successfully implement integration strategies or otherwise realize the anticipated synergies, and other risks beyond the parties’ control and failure to meet expectations regarding various strategic initiatives, including, but not limited to, the performance transformation program. 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, 2015 filed with the SEC and other public filings made by the Company with the SEC. The forward-looking statements speak only as of the date hereof, and the Company disclaims any obligation to update them or to announce publicly any revision to any of the forward-looking statements contained in this release, or to make corrections to reflect future events or developments.

## ABOUT VIMPELCOM

VimpelCom (NASDAQ: VIP) is an international communications and technology company driven by a vision to unlock new opportunities for customers as they navigate the digital world. Present in some of the world’s most dynamic markets, VimpelCom provides more than 200 million customers with voice, fixed broadband, data and digital services. VimpelCom’s heritage as a pioneer in technology is the driving force behind a major transformation focused on bringing the digital world to each and every customer. VimpelCom offers services to customers in 14 markets including Russia, Italy, Algeria, Pakistan, Uzbekistan, Kazakhstan, Ukraine, Bangladesh, Kyrgyzstan, Tajikistan, Armenia, Georgia, Laos, and Zimbabwe. VimpelCom operates under the “Beeline”, “Kyivstar”, “WIND”, “Mobilink”, “banglalink”, “Telecel”, and “Djezzy” brands.

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For more information on financial and operating data for specific countries, please refer to the supplementary file [Factbook1Q2016.xls](#) on VimpelCom's website at <http://vimpelcom.com/ir/financials/results.wbp>

## ATTACHMENT A: VIMPELCOM LTD INTERIM FINANCIAL SCHEDULES

### VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

USD mln	1Q16	1Q15
<b>Total operating revenues</b>	<b>2,023</b>	<b>2,312</b>
of which other revenues	26	18
<b>Operating expenses</b>		
Service costs, equipment and accessories	445	514
Selling, general and administrative expenses	820	860
Depreciation	332	398
Amortization	112	127
Impairment loss	8	98
Loss on disposals of non-current assets	2	7
<b>Total operating expenses</b>	<b>1,719</b>	<b>2,004</b>
<b>Operating (profit)/ loss</b>	<b>304</b>	<b>308</b>
Finance costs	180	227
Finance income	(12)	(12)
Other non-operating losses/(gains)	38	9
Shares of loss/(profit) of associates and joint ventures accounted for using the equity method	5	(16)
Net foreign exchange (gain)/ loss	(62)	108
<b>Profit / (loss) before tax</b>	<b>155</b>	<b>(8)</b>
Income tax expense	117	80
Profit/ (loss) from continued operations	38	(88)
Profit/ (loss) from discontinued operations	197	261
<b>Profit/(loss) for the period</b>	<b>235</b>	<b>173</b>
Non-controlling interest	(46)	11
The owners of the parent	189	184

## ATTACHMENT A: VIMPELCOM LTD INTERIM FINANCIAL SCHEDULES

### VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

USD mln	31 March 2016	31 December 2015
<b>Assets</b>		
<b>Non-current assets</b>		
Property and equipment	6,211	6,239
Intangible assets	2,170	2,224
Goodwill	4,358	4,223
Investments in associates and joint ventures	211	201
Deferred tax asset	150	150
Income Tax advances, non-current	17	28
Financial assets	175	164
Other non-financial assets	118	105
<b>Total non-current assets</b>	<b>13,410</b>	<b>13,334</b>
<b>Current assets</b>		
Inventories	91	104
Trade and other receivables	700	677
Other non-financial assets	366	334
Current income tax asset	283	259
Other financial assets	287	395
Cash and cash equivalents	2,928	3,614
<b>Total current assets</b>	<b>4,656</b>	<b>5,383</b>
Assets classified as held for sale	15,902	15,137
<b>Total assets</b>	<b>33,969</b>	<b>33,854</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity attributable to equity owners of the parent	4,045	3,765
Non-controlling interests	153	129
<b>Total equity</b>	<b>4,198</b>	<b>3,894</b>
<b>Non-current liabilities</b>		
Debt	7,911	8,025
Other financial liabilities	70	70
Provisions	355	350
Other non-financial liabilities	81	95
Deferred tax liability	380	404
<b>Total non-current liabilities</b>	<b>8,796</b>	<b>8,944</b>
<b>Current liabilities</b>		
Trade and other payables	1,508	1,768
Dividends payable to the owners and NCI	0	0
Debt	1,775	1,519
Other financial liabilities	233	174
Other non-financial liabilities	1,160	1,039
Current income tax payable	40	19
Provisions	197	1,020
<b>Total current liabilities</b>	<b>4,914</b>	<b>5,539</b>
Liabilities associated with assets held for sale	16,061	15,477
<b>Total equity and liabilities</b>	<b>33,969</b>	<b>33,854</b>

## ATTACHMENT A: VIMPELCOM LTD FINANCIAL SCHEDULES

### VIMPELCOM LTD UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

USD mln	1Q16	1Q15
<b>Operating activities</b>		
Profit after tax	38	(88)
Income tax expenses	117	80
<b>Profit before tax</b>	<b>155</b>	<b>(8)</b>
Non-cash adjustment to reconcile profit before tax to net operating cash flows:		
Depreciation	332	398
Amortization	112	127
Impairment loss	8	98
Loss/(Gain) From disposal of non current assets	1	7
Finance income	(12)	(12)
Finance cost	180	227
Other non operating losses / (Gains)	37	11
Net foreign exchange loss / (gain)	(62)	108
Share of loss of associates and joint ventures	5	(16)
Movements in provisions and pensions	(816)	(1,148)
Changes in working capital	13	(74)
Net interest paid	(202)	(263)
Net interest received	12	11
Income tax paid	(125)	(342)
Changes due to discontinued operations from operating activity	123	112
<b>Net cash from/(used in) operating activities</b>	<b>(238)</b>	<b>(764)</b>
Proceeds from sale of property and equipment	2	5
Proceeds from sale of intangible assets	0	1
Purchase of property, plant and equipment	(338)	(362)
Purchase of licenses	(44)	(28)
Purchase of other intangible assets	(57)	(59)
Outflow for loan granted	(2)	(100)
Inflow from loan granted	0	2
Inflows/(outflows) from financial assets	2	61
Inflows/(outflows) from deposits	76	(0)
Acquisition of a subsidiary, net of cash acquired	0	0
Proceeds from sales of share in subsidiaries, net of cash	0	0
Receipt of dividends	-	0
Discontinued operations in investing activity	(191)	530
<b>Net cash from/(used in) investing activities</b>	<b>(551)</b>	<b>50</b>
Net proceeds from exercise of share options	0	1
Acquisition of non-controlling interest	-	-
Gross proceeds from borrowings	498	803
Fees paid for the borrowings	(7)	-
Repayment of borrowings	(456)	(1,425)
Dividends paid to equity holders	-	(0)
Proceeds from sale of treasury stock	-	-
Dividends paid to non-controlling interests	-	(57)
Proceeds from sale of non-controlling interests	-	2,325
Discontinued operations in financing activity	(10)	(509)
<b>Net cash from/(used in) financing activities</b>	<b>26</b>	<b>1,137</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(763)</b>	<b>423</b>
Cash and cash equivalent at beginning of period	3,614	6,342
Net foreign exchange difference related to continued operations	(1)	(266)
Net foreign exchange difference related to discontinued operations	10	-
Cash and cash equivalent reclassified as Held for Sale at the beginning of the period	314	-
Cash and cash equivalent reclassified as Held for Sale at the end of the period	(246)	-
Cash and cash equivalent at end of period	2,928	6,499



## ATTACHMENT B: DEBT OVERVIEW

AS AT MARCH 31, 2015

Type of debt	Interest rate	Debt currency	Outstanding debt (mln)	Outstanding debt (USD mln)	Maturity date	Guarantor
<b>VimpelCom Holdings B.V.</b>						
Notes	6.2546%	USD	349	349	01.03.2017	PJSC VimpelCom
Notes	7.5043%	USD	1,280	1,280	01.03.2022	PJSC VimpelCom
Notes	9.0000%	RUB	12,000	177	13.02.2018	PJSC VimpelCom
Notes	5.2000%	USD	571	571	13.02.2019	PJSC VimpelCom
Notes	5.9500%	USD	983	983	13.02.2023	PJSC VimpelCom
<b>VimpelCom Amsterdam B.V.</b>						
Loan from AO Alfa Bank	1 month LIBOR plus 3.15%	USD	500	500	17.04.2017	VimpelCom Holdings B.V.
Loan from AO Alfa Bank	1 month LIBOR plus 3.15%	USD	500	500	03.05.2017	VimpelCom Holdings B.V.
Loan from China Development Bank Corporation	6 month LIBOR plus 3.3%	USD	415	415	21.12.2020	PJSC VimpelCom
Loan from HSBC Bank plc	1.7200%	USD	206	206	31.07.2022	EKN, PJSC VimpelCom
<b>PJSC VimpelCom</b>						
Loan from VIP Finance Ireland (funded by the issuance of loan participation notes by VIP Finance Ireland)	9.1250%	USD	499	499	30.04.2018	None
Loan from VIP Finance Ireland (funded by the issuance of loan participation notes by VIP Finance Ireland)	7.7480%	USD	651	651	02.02.2021	None
Loan from UBS (Luxembourg) S.A. (funded by the issuance of loan participation notes by UBS (Luxembourg) S.A.)	8.2500%	USD	266	266	23.05.2016	None
RUB denominated bonds	10.0000%	RUB	15,052	223	08.03.2022 *	None
RUB denominated bonds	11.9000%	RUB	25,000	370	03.10.2025 **	None
Loan from Sberbank	12.7500%	RUB	43,929	650	11.04.2018	None
Loan from Sberbank	12.7500%	RUB	13,889	205	29.05.2017	None
Loan from Sberbank	11.5500%	RUB	30,000	444	29.06.2018	None
Loan from HSBC Bank plc, Nordea Bank AB (publ)	3 month MOSPRIME plus 1.0%	RUB	2,962	44	30.04.2019	EKN
<b>Pakistan Mobile Communications Limited ("PMCL")</b>						
Loan from Habib Bank Limited	6 months KIBOR + 1.15%	PKR	4,500	43	16.05.2019	None
Syndicated loan via MCB Bank Limited	3 months KIBOR +	PKR	3,500	33	28.11.2017	None
Syndicated loan via MCB Bank Limited	6 months KIBOR + 1.25%	PKR	7,000	67	16.05.2019	None
Loan from United Bank Limited	6 months KIBOR + 1.10%	PKR	4,000	38	16.05.2021	None
Sukuk Certificates	3 months KIBOR + 0.88%	PKR	6,900	66	22.12.2019	None
Syndicated loan via Allied Bank Limited	6 months KIBOR + 1.00%	PKR	3,619	35	26.11.2018	None
<b>Banglalink Digital Communications Ltd. ("BDC")</b>						
Senior Notes	8.6250%	USD	300	300	06.05.2019	None
<b>Omnium Telecom Algeria SpA</b>						
Syndicated Loan Facility	Bank of Algeria Re-Discount Rate + 2.0%	DZD	50,000	461	30.09.2019	None
Other loans, equipment financing and capital lease obligations				310		

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

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

Note: the table does not include USD 1.2 billion of indebtedness as a result of the issuance of bonds by GTH Finance B.V. in April 2016.

## ATTACHMENT C: COUNTRY DETAILS

### CUSTOMERS

million	Mobile			Fixed-line broadband		
	1Q16	1Q15	YoY	1Q16	1Q15	YoY
<b>Russia</b>	<b>57.7</b>	<b>55.7</b>	<b>4%</b>	<b>2.2</b>	<b>2.3</b>	<b>(4%)</b>
Algeria	16.7	17.1	(2%)	-	-	-
Pakistan	38.1	38.2	(0%)	-	-	-
Bangladesh	31.6	31.8	(1%)	-	-	-
<b>Emerging markets</b>	<b>86.3</b>	<b>87.1</b>	<b>(1%)</b>	-	-	-
Ukraine	25.3	26.1	(3%)	0.8	0.8	(1%)
Kazakhstan	9.2	9.6	(4%)	0.2	0.2	9%
Uzbekistan	9.5	10.4	(8%)	0.00	0.01	(100%)
Armenia	0.8	0.8	7%	0.1	0.2	(5%)
Tajikistan	1.2	1.3	(6%)	-	-	-
Georgia	1.2	1.3	(4%)	-	-	-
Kyrgyzstan	2.6	2.7	(6%)	-	-	-
<b>Eurasia</b>	<b>49.8</b>	<b>52.1</b>	<b>(4%)</b>	<b>1.2</b>	<b>1.2</b>	<b>(1%)</b>
Laos	0.2	0.2	4%	-	-	-
<b>Total</b>	<b>194.0</b>	<b>195.1</b>	<b>(1%)</b>	<b>3.4</b>	<b>3.5</b>	<b>(3%)</b>
<b>Italy</b>	<b>20.9</b>	<b>21.4</b>	<b>(2%)</b>	<b>2.3</b>	<b>2.2</b>	<b>3%</b>

### UZBEKISTAN

UZS bln	1Q16	1Q15	YoY
Total revenue	469	409	15%
Mobile service revenue	465	405	15%
of which mobile data	90	84	7%
Fixed-line service revenue	3	3	4%
EBITDA	285	257	11%
EBITDA margin	61%	63%	(1.9p.p.)
Capex excl licenses	85	(0)	n.m.
LTM Capex excl licenses /revenue	12%	8%	4.0p.p
<b>Mobile</b>			
Customers (mln)	9.5	10.4	(8%)
Of which mobile data customers	4.4	5.2	(16%)
ARPU (UZS)	15,877	12,883	23%
MOU (min)	472	498	(5%)
Data usage (MB)	218	154	42%

### ARMENIA

AMD mln	1Q16	1Q15	YoY
Total revenue	11,010	12,528	(12%)
Mobile service revenue	4,847	5,355	(9%)
- of which mobile data	709	633	12%
Fixed service revenue	5,774	6,943	(17%)
EBITDA	3,942	4,415	(11%)
EBITDA margin	36%	35%	0.6p.p
Capex excl licenses	247	975	(75%)
LTM Capex excl licenses /revenue	14%	12%	2.2p.p.
<b>Mobile</b>			
Customers (mln)	0.8	0.8	7%
-of which mobile data customers	0.4	0.4	5%
ARPU (USD)	1,861	2,229	(16%)
MOU (min)	335	341	(2%)
Data usage(MB)	1,504	1,248	21%

## TAJIKISTAN

USD mln	1Q16	1Q15	YoY
Total revenue	19	26	(27%)
Mobile service revenue	19	26	(27%)
- of which mobile data	1	1	(32%)
EBITDA	12	14	(15%)
EBITDA margin	61.3%	52.8%	8.5p.p
Capex excl licenses	(0)	0	n.m.
LTM Capex excl licenses/revenue	13%	12%	1.3p.p
<b>Mobile</b>			
Customers (mln)	1.2	1.3	(6%)
- of which mobile data customers (mln)	0.5	0.5	3%
ARPU (USD)	5.4	6.8	(20%)
MOU (min)	279	263	6%
Data usage (MB)	265	89	199%

## GEORGIA

GEL mln	1Q16	1Q15	YoY
Total revenue	25	30	(17%)
Mobile service revenue	25	26	(7%)
-of which mobile data	1	1	35%
Fixed-line service revenue	0	3	(100%)
EBITDA	5	4	14%
EBITDA margin	19%	14%	5.2p.p
Capex excl licenses	3	7	(57%)
LTM Capex excl licenses /revenue	39%	26%	12.9p.p
<b>Mobile</b>			
Customers (mln)	1.2	1.3	(4%)
-data customers	0.4	0.5	(3%)
ARPU (GEL)	6	7	(7%)
MOU (min)	234	226	4%
Data usage (MB)	597	89	571%

## KYRGYZSTAN

KGZ mln	1Q16	1Q15	YoY
Total revenue	2,332	2,340	(0%)
Mobile service revenue	2,316	2,318	(0%)
- of which mobile data	304	291	4%
EBITDA	1,279	1,253	2%
EBITDA margin	54.8%	53.6%	1.3p.p
Capex excl licenses	152	168	(10%)
LTM Capex excl licenses/revenue	13%	15%	(1.1 p.p)
<b>Mobile</b>			
Customers (mln)	2.6	2.7	(6%)
- of which mobile data customers (mln)	1.5	1.6	(6%)
ARPU (KGZ)	289	281	3%
MOU (min)	206	261	(21%)
Data usage (MB)	422	184	130%

## ATTACHMENT D: RECONCILIATION TABLES

### RECONCILIATION OF CONSOLIDATED EBITDA OF VIMPELCOM

USD mln	1Q16	1Q15
<b>Unaudited</b>		
<b>EBITDA</b>	<b>758</b>	<b>938</b>
Depreciation	(332)	(398)
Amortization	(112)	(127)
Impairment loss	(8)	(98)
Loss on disposals of non-current assets	(1)	(7)
<b>EBIT</b>	<b>304</b>	<b>308</b>
Financial Income and Expenses	(168)	(215)
- including finance income	12	12
- including finance costs	(180)	(227)
Net foreign exchange (loss)/gain and others	19	(101)
- including Other non-operating (losses)/gains	(38)	(9)
- including Shares of loss of associates and joint ventures accounted for using the equity method	(5)	16
- including Net foreign exchange gain	62	(108)
<b>EBT</b>	<b>155</b>	<b>(8)</b>
Income tax expense	117	80
Profit/ (loss) from discontinued operations	197	261
Profit/(loss) for the year	235	173
Profit/(loss) for the year attributable to non-controlling interest	46	(11)
<b>Profit for the year attributable to the owners of the parent</b>	<b>189</b>	<b>184</b>

## RECONCILIATION OF CONSOLIDATED REPORTED AND UNDERLYING EBITDA OF VIMPELCOM

USD mln, unaudited	1Q16	1Q15
<b>EBITDA</b>	<b>758</b>	<b>938</b>
<b>Transformation costs, of which</b>	<b>44</b>	<b>-</b>
other transformation costs at OpCo level	9	
other transformation costs at HQ level	35	
<b>Other exceptional items in OpCos, of which</b>	<b>(4)</b>	<b>7</b>
Reversal in tax provisions in Ukraine	(1)	
Reversal of legal expenses and bad debt in Uzbekistan	(3)	
Sim re-verification costs in Pakistan		7
<b>Total exceptional items</b>	<b>40</b>	<b>7</b>
<b>EBITDA underlying</b>	<b>799</b>	<b>945</b>

## RECONCILIATION OF VIMPELCOM CONSOLIDATED NET DEBT

USD mln	31 March 2016	31 December 2015	31 March 2015
Net debt	6,407	5,496	5,883
Cash and cash equivalents	2,928	3,614	6,135
Long - term and short-term deposits	351	434	118
Gross debt	9,686	9,544	12,136
Interest accrued related to financial liabilities	148	179	157
Fair value adjustment	-	-	-
Other unamortised adjustments to financial liabilities (fees, discounts etc.)	57	60	60
Derivatives not designated as hedges	50	2	-
Other liabilities at amortized costs	-	-	271
Derivatives designated as hedges	48	3	33
Total other financial liabilities	9,989	9,788	12,657

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

	Average rates			Closing rates		
	1Q16	1Q15	YoY	1Q16	1Q15	YoY
Russian Ruble	74.63	62.19	20.0%	67.61	58.46	15.6%
Euro	0.91	0.89	2.0%	0.88	0.93	-5.5%
Algerian Dinar	107.82	93.21	15.7%	108.39	97.70	10.9%
Pakistan Rupee	104.74	101.41	3.3%	104.71	101.93	2.7%
Bangladeshi Taka	78.47	77.85	0.8%	78.38	77.81	0.7%
Ukrainian Hryvnia	25.65	21.12	21.5%	26.22	23.44	11.9%
Kazakh Tenge	355.12	184.58	92.4%	343.06	185.65	84.8%
Uzbekistan Som	2,843.5	2,450.6	16.0%	2,876.7	2,490.2	15.5%
Armenian Dram	488.59	477.11	2.4%	480.79	471.13	2.1%
Kyrgyz Som	74.21	60.82	22.0%	70.02	63.87	9.6%
Georgian Lari	2.44	2.07	17.5%	2.37	2.23	6.2%

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

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

EUR mln	1Q16	1Q15	YoY
Total Revenue	1,064	1,078	(1%)
EBITDA	381	406	(6%)
D&A	(280)	189	n.m.
EBIT	101	596	n.m.
Financial Income and expenses	(61)	(77)	21%
EBT	40	519	n.m.
Income Tax	(29)	(63)	54%
Net profit/(loss)	11	456	n.m.

## ATTACHMENT F: RECONCILIATION OF REVISED FINANCIAL STATEMENTS 4Q15

### REVISED STATEMENT OF FINANCIAL POSITION

Subsequent to the 4Q 2015 earnings release certain non-significant accounting adjustments were made to the financial statements, which are reflected in the tables below. References to 4Q 2015 figures throughout this earnings release reflect the figures as revised below.

USD mln	<b>4Q15 as reported on February 17,2016</b>	Russia: reversal of restructuring provision	Italy: reversal of deferred tax liability on a loan	Uzbekistan reclassification	<b>4Q15 Revised</b>
<b>Assets</b>					
Total non-current assets	13,317		17		13,334
Total current assets	5,387	(4)			5,383
Assets classified as held for sale	15,137				15,137
<b>Total assets</b>	<b>33,841</b>	<b>(4)</b>	<b>17</b>		<b>33,854</b>
<b>Equity and liabilities</b>					
Equity attributable to equity owners of the parent	3,729	14	22		3,765
Non-controlling interests	129				129
Total equity	3,858	14	22		3,894
Total non-current liabilities	8,874			70	8,944
Total current liabilities	5,633	(18)	(5)	(70)	5,539
Liabilities associated with assets held for sale	15,477				15,477
<b>Total equity and liabilities</b>	<b>33,841</b>	<b>(4)</b>	<b>17</b>		<b>33,854</b>

### REVISED STATEMENT OF INCOME

USD mln	<b>4Q15 as reported on February 17,2016</b>	Russia: reversal of restructuring provision	Italy: reversal of deferred tax liability on a loan	<b>4Q15 Revised</b>
Total operating revenues	9,625			9,625
Operating expenses	9,119	(18)		9,101
Operating profit	506	18		524
Profit before tax	(613)	18		(595)
Income tax expense	238	4	(22)	220
Profit for the period	(589)	14	22	(553)
Attributable to:				
Non-controlling interest	103			102
Net income attributable to VimpelCom shareholders	(691)	14	22	(655)

## ATTACHMENT G: DEFINITIONS

**ARPU (Average Revenue per User)** is calculated by dividing service revenue for the relevant period, including revenue from voice-, roaming-, interconnect-, and value added services (including mobile data, SMS, MMS), but excluding revenue from visitors roaming, connection fees, sales of handsets and accessories and other non-service revenue, by the average number of customers during the period and dividing by the number of months in that period. For Italy Business Unit, visitors roaming revenue is included into service revenue for ARPU calculation.

**Data customers** are the customer contracts that served as a basis for revenue generating activity in the three months prior to the measurement date, as a result of activities including monthly Internet access using FTTB and xDSL technologies as well as mobile Internet access via WiFi and USB modems using 2.5G/3G/4G/HSPA+ technologies. The Italy Business Unit measures fixed data customers based on the number of active contracts signed and mobile data includes customers that have performed at least one mobile Internet event in the previous month. The Russia Business Unit includes IPTV activities. For Kazakhstan and Eurasia subsidiaries, mobile data customers are those who have performed at least one mobile Internet event in the three-month period prior to the measurement date. For Algeria, data customers are 3G customers who have performed at least one mobile data event on 3G network in the previous four months.

**Capital expenditures (Capex)** are purchases of new equipment, new construction, upgrades, software, other long lived assets and related reasonable costs incurred prior to intended use of the non-current asset, accounted at the earliest event of advance payment or delivery. Long-lived assets acquired in business combinations are not included in capital expenditures.

**EBIT** is a non-GAAP measure and is calculated as EBITDA plus depreciation, amortization and impairment loss. Our management uses EBIT as a supplemental performance measure and believes that it provides useful information of earnings of the Company before making accruals for financial income and expenses and net foreign exchange (loss)/gain and others. Reconciliation of EBIT to net income attributable to VimpelCom Ltd., the most directly comparable IFRS financial measure, is presented above.

**EBITDA** is a non-GAAP financial measure. EBITDA is defined as earnings before interest, tax, depreciation and amortization. VimpelCom calculates EBITDA as operating income before depreciation, amortization, loss from disposal of non-current assets and impairment loss and includes certain non-operating losses and gains mainly represented by litigation provisions for all of its Business Units except for its Russia Business Unit. The Russia Business Unit's EBITDA is calculated as operating income before depreciation, amortization, loss from disposal of non-current assets and impairment loss. EBITDA should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS. Our management uses EBITDA and EBITDA margin as supplemental performance measures and believes that EBITDA and EBITDA margin provide useful information to investors because they are indicators of the strength and performance of the Company's business operations, including its ability to fund discretionary spending, such as capital expenditures, acquisitions and other investments, as well as indicating its ability to incur and service debt. In addition, the components of EBITDA include the key revenue and expense items for which the Company's operating managers are responsible and upon which their performance is evaluated. EBITDA also assists management and investors by increasing the comparability of the Company's performance against the performance of other telecommunications companies that provide EBITDA information. This increased comparability is achieved by excluding the potentially inconsistent effects between periods or companies of depreciation, amortization and impairment losses, which items may significantly affect operating income between periods. However, our EBITDA results may not be directly comparable to other companies' reported EBITDA results due to variances and adjustments in the components of EBITDA (including our calculation of EBITDA) or calculation measures. Additionally, a limitation of EBITDA's use as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue or the need to replace capital equipment over time. Reconciliation of EBITDA to net income attributable to VimpelCom Ltd., the most directly comparable IFRS financial measure, is presented above.

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

**Households passed** are households located within buildings, in which indoor installation of all the FTTB equipment necessary to install terminal residential equipment has been completed.

**MBOU (Megabyte of use)** is calculated by dividing the total data traffic by the average mobile data customers during the period.



**MFS (Mobile financial services)** is a variety of innovative services, such as mobile commerce or m-commerce, that use a mobile phone as the primary payment user interface and allow mobile customers to conduct money transfers to pay for items such as goods at an online store, utility payments, fines and state fees, loan repayments, domestic and international remittances, mobile insurance and tickets for air and rail travel, all via their mobile phone.

**MNP (Mobile number portability)** is a facility provided by telecommunications operators, which enables customers to keep their telephone numbers when they change operators.

**Mobile customers** are SIM-cards registered in the system as of a measurement date, users of which generated revenue at any time during the three months prior to the measurement date. This includes revenue coming from any incoming and outgoing calls, subscription fee accruals, debits related to service, outgoing SMS, Multimedia Messaging Service (referred to as MMS), data transmission and receipt sessions, but does not include incoming SMS and MMS sent by VimpelCom or abandoned calls. VimpelCom's total number of mobile customers also includes SIM-cards for use of mobile Internet service via USB modems and customers for WiFi. The number for Italy is based on SIM-cards, users of which generated revenue at any time during the twelve months prior to the measurement date.

**MOU (Monthly Average Minutes of Use per User)** is generally calculated by dividing the total number of minutes of usage for incoming and outgoing calls during the relevant period (excluding guest roamers) by the average number of mobile customers during the period and dividing by the number of months in that period. Algeria, Pakistan and Bangladesh units measure MOU based on billed minutes.

**Net debt** is a non-GAAP financial measure and is calculated as the sum of interest bearing long-term debt and short-term debt minus cash and cash equivalents, long-term and short-term deposits and fair value hedges. The Company believes that net debt provides useful information to investors because it shows the amount of debt outstanding to be paid after using available cash and cash equivalent and long-term and short-term deposits. Net debt should not be considered in isolation as an alternative to long-term debt and short-term debt, or any other measure of the company financial position. Reconciliation of net debt to long-term debt and short-term debt, the most directly comparable IFRS financial measures, is presented above in the reconciliation tables section.

**Net foreign exchange (loss)/gain and others** represents the sum of Net foreign exchange (loss)/gain, Equity in net (loss)/gain of associates and Other (expense)/income, net (primarily losses from derivative instruments), and is adjusted for certain non-operating losses and gains mainly represented by litigation provisions. Our management uses Net foreign exchange (loss)/gain and others as a supplemental performance measure and believes that it provides useful information about the impact of our debt denominated in foreign currencies on our results of operations due to fluctuations in exchange rates, the performance of our equity investees and other losses and gains the Company needs to manage the business.

**NPS (Net Promoter Score)** is the methodology VimpelCom uses to measure customer satisfaction.

**Operational expenses (Opex)** represents service costs and selling, general and administrative expenses.

**Organic growth in revenue and EBITDA** are non-GAAP financial measures that reflect changes in Revenue and EBITDA excluding foreign currency movements and other factors, such as businesses under liquidation, disposals, mergers and acquisitions.

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

**Reportable segments:** the Company identified Russia, Italy, Algeria, Pakistan, Bangladesh, Ukraine and Eurasia based on the business activities in different geographical areas. Intersegment revenue is eliminated in consolidation.

**Service costs** represent costs directly associated with revenue generating activity such as traffic related expenses, costs of content and sim-cards as well as costs of handsets, telephone equipment and accessories sold.

**Selling, general and administrative expenses** represent expenses associated with customer acquisition and retention activities, network and IT maintenance, regular frequency payment, professional and consulting support, rent of premises, utilities, personnel and outsourcing as well as other general and administrative expenses. These expenses do not include personnel costs that have been capitalized as part of long-lived assets.