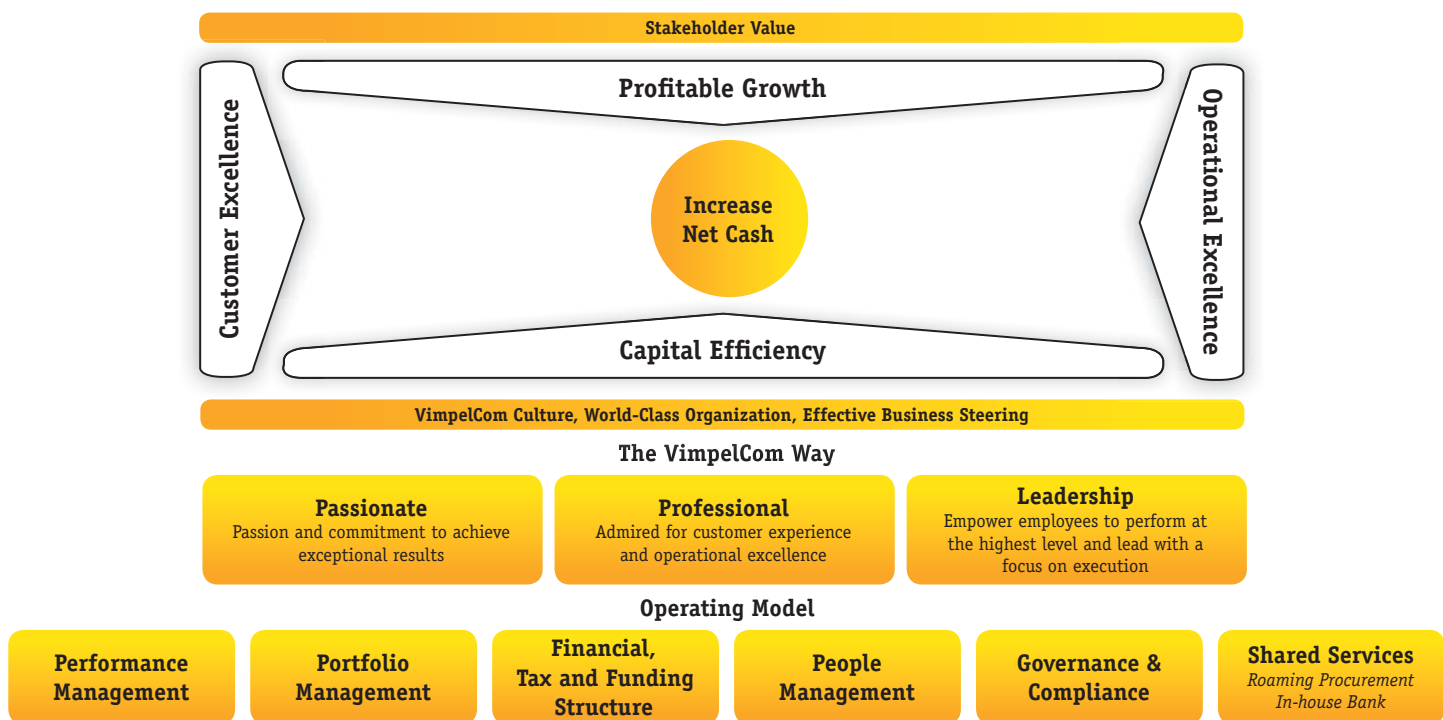


Growing our position



Core points of our strategy:

- VimpelCom is a mobile-driven company with a select presence in fixed-line. We strive to delight our customers by connecting people around the globe.
- Our businesses combine mature sophisticated markets with emerging growth opportunities in a number of regions.
- We believe that all business is local and starts with our customers. We seek to drive profitable growth in mobile data, fixed data and mobile voice, by tailoring our strategy in each individual market according to the needs of our customers and the development characteristics of each market.
- Our business strategy is focused on increasing cash flows and generating returns to our shareholders. This will be achieved by the following four main pillars:
 - Profitable Growth
 - Customer Excellence
 - Operational Excellence
 - Capital Efficiency

Key Strategic Points – VimpelCom’s Value Agenda

VimpelCom’s strategy, or “Value Agenda”, is focused on increasing cash flows by combining the Company’s strong and growing positions

in mobile businesses with a selective presence in fixed-line to further support its growth as mobile services continue to expand across the Company’s markets. We have a fundamental belief in a decentralized business model. We seek to capture profitable growth in mobile data, fixed data and mobile voice, by tailoring our strategy in each individual market according to its development characteristics.

We believe mobile broadband is the main access in the future and LTE will be the enabler and a game changer. As such, we define ourselves as a mobile-focused Company and we prioritize resources and investment allocation to mobile capacity and coverage. In mobile data in particular, our focus will be on capturing the growth in this segment of the market by moving away from unlimited plans to tiered pricing, rationally managing traffic and differentiating our services through more sophisticated offerings.

This broader view of the business provides the basis for our “Value Agenda” which is based on local empowerment and starts with the company’s 214 million customers as of December 31, 2012. Our focus remains on delivering excellence to our customers. We have implemented a passionate, performance oriented culture with a key focus on operations and execution at the business unit level. At the Group level, we remain a lean organization focused on value creation through performance management, portfolio management, financial structure optimization, and shared services such as roaming and procurement.

Our Value Agenda, which is focused on increasing Net Cash from Operating Activities, has the following four key pillars supported by clear operational strategies executed within each of our business units.

- **Profitable Growth.** We aim to drive revenue growth that leads to profitability by focusing on gaining share in mobile data revenues and capitalizing on areas such as Mobile Financial Services and partnerships with OTT players, while limiting cost of traffic. Increasing mobile data revenues will be achieved by driving smartphone and tablet penetration through strong local distribution. We are also introducing value based commissioning, promoting tiered pricing for speed and time of data, partnering with internet players and improving network quality. We believe effective deployment of integrated bundles will allow us to monetize the strong growth in mobile data.
- **Customer Excellence.** We are committed to creating a superior customer experience, optimizing distribution and developing superior pricing capabilities. We undertake a systematic effort involving dedicated analytics and research to continuously optimize the customer experience. We will drive superior pricing through integrated bundles that combine traditional voice with SMS and, most importantly, data. This will provide value to the customer while at the same time protecting our revenue stream from cannibalization amongst various services, such as SMS and IM. Optimizing our distribution will consist of focusing on the most efficient channels in each market. Overall, we also expect these actions to reduce churn and limit our retention and commercial costs.
- **Operational Excellence.** Operational excellence and operational cost management represent a company-wide strategy and it is implemented at all levels of the organization. We are taking a holistic approach covering all of the Company's processes at both the Group and business unit level and implementing a continuous improvement culture across our businesses.
- **Capital Efficiency.** Our goal is to reduce the ratio of our capital expenditure to revenues over time by deploying capital more efficiently through increased network sharing, continued business portfolio optimization and optimizing capital structure. Network outsourcing is an important element of improving our CAPEX efficiency and we are implementing more advanced outsourcing agreements that will ultimately drive both network utilization and quality. We also have a center led procurement model that provides advantages both at the Group and local level. Finally, within our finance function, we have implemented a systematic approach to managing working capital and optimizing our capital structure.

As a Group, VimpelCom offers a truly unique combination of mature, strong cash-generating companies and solid emerging growth opportunities. Our business largely comprises broadly three types of businesses grouped according to their stages of development:

- In our larger and more mature markets, Italy and Russia, we are focused on increasing profit and cash flow generation. These markets are highly penetrated, but have strong potential for broadband growth both in fixed and in mobile. Here, we will remain focused on reinforcing our solid market positions and sustained cash flow generation.
- We consider as our "growth engine" developing markets in Ukraine, CIS, Bangladesh, Pakistan and Algeria. These markets each have a large potential customer base, high revenue growth from relatively low penetration and significant growth potential for mobile data. In these markets, we will seek to leverage our knowledge and experience in Russia and Italy to capture this growth.
- Finally, we have early stage operations, such as in Canada and some Asian and African markets, which would require further investment to reach their full potential. We are performing a strategic contribution analysis of these operations.

Through the implementation of our strategy across our business and operating units, we aim to achieve the company's financial performance objectives from 2013 to 2015, including:

- Revenue and EBITDA CAGR of approximately mid-single digit;
- CAPEX / Revenue (excluding licenses) below 15% in 2015; and
- Net Debt / EBITDA below 2.0 in 2015.

The above objectives assume constant currency movements, no major regulatory changes, current asset portfolio mix and a stable macroeconomic environment.

As a result of the execution of the Value Agenda the Company indicated its intention to have annual cash flow improvements of USD 2 billion from operations and of between USD 0.6 billion and USD 0.9 billion from finance optimization by the end of 2015.

The company currently intends to make dividend payments of at least US\$ 0.80 per common share per annum assuming not more than 1,757 million common shares issued and outstanding and barring unforeseen circumstances. For current information on our dividend policy, please refer to www.vimpelcom.com.

Strategy in action

Key highlights for 2012



Wearing the customer's shoes in Ukraine

Kyivstar leadership team experience the full customer journey in order to identify ways to improve customer service.



Group-wide

Partnerships with internet services like Facebook, Google Play, Wikipedia or Windows Phone to offer the best integrated experience with VimpelCom mobile service.



Launch of MyWind in Italy

Manage account and services directly from your smartphone. More than 1m downloads since launch in 2012.





**Banglalink focused
on customer care**

Voted best customer care
in the country.