

VimpelCom and Global Telecom Holding combine Pakistan telecom business with Warid Telecom

Combined Mobilink and Warid Telecom business to serve over 45 million mobile customers and will become the leading high-speed mobile network in Pakistan

VimpelCom Ltd. ("VimpelCom") and Global Telecom Holding S.A.E. ("GTH"), together with Warid Telecom Pakistan LLC and Bank Alfalah Limited ("Dhabi Group shareholders"), have today reached an agreement to merge their Pakistan telecom businesses. The merger of Pakistan Mobile Communications Limited ("Mobilink") and Warid Telecom (Private) Limited ("Warid") will see the combined entity serving 45 million customers. The transaction is the first merger in the mobile telecommunications sector in Pakistan.

Together with continued investments, the new entity will allow Mobilink and Warid to accelerate the availability of high-speed mobile telecommunications and provide consumers and businesses with a best-in-class mobile network, more competitively priced services and wider access to enablement facilities such as mobile financial services.

Commenting on the agreement, Jean-Yves Charlier, Chief Executive Officer of VimpelCom, said: "We are delighted to announce the agreement with the Dhabi Group shareholders today to combine our businesses in Pakistan. With the addition of Warid to our already strong customer base at Mobilink, we will serve more than 45 million customers and offer a best-in-class mobile and high-speed data network – a key factor in the digital enablement of Pakistan's economy. This transaction follows a number of strategic milestones for the company, including our recent joint venture announcement with WIND and 3 Italia in Italy and the agreement to sell our operations in Zimbabwe. This is yet another important step in our journey to continue delivering on our strategy to transform VimpelCom and improve our competitive position in our operating markets."

The transaction is expected to create Capex and Opex synergies with a net present value of approximately USD 500 million. The combined revenue of both companies for the 12 months to September 2015 was USD 1.4 billion.

Chairman of Dhabi Group, His Highness Sheikh Nahyan Mubarak Al Nahyan, said "Creating the largest operator in Pakistan is a significant milestone for Mobilink and Warid but also for Pakistan as a whole. Warid's partnership with Mobilink will create value for all stakeholders and pave the way for exceptional and cost-efficient telecommunication services for customers. Both parties bring their unique strengths to this merger. Warid, with its strong post-paid base and high quality 4G/LTE network will complement Mobilink's position in the market. We are very pleased to continue to contribute to the strengthening of the competitive landscape for the broader telecom sector and the overall economy of Pakistan. The transaction reaffirms my own and my fellow investors' long-standing and continuing commitment to Pakistan."

VimpelCom and the Dhabi Group shareholders have agreed a clear corporate governance structure. The board will consist of seven directors, of whom six will be nominated by VimpelCom and GTH and one nominated by the Dhabi Group shareholders. Upon successful completion of the transaction, Mobilink's CEO Jeffrey Hedberg will become the CEO of the combined business and Mobilink's CFO Andrew Kemp will become the CFO of the combined function.

Additional details of the Transaction

- As part of the Transaction, Mobilink will first acquire 100% of Warid's shares in consideration for the Dhabi Group shareholders acquiring approximately 15% of the shares of Mobilink (the "Transaction"). Following completion of the Transaction, the parties intend to merge Warid into Mobilink in due course (the "Merger").
- The Transaction is expected to close within six months from today, subject to obtaining approvals from the relevant authorities in Pakistan and the satisfaction of customary closing conditions. The Merger is expected to close within 6 months from closing of the Transaction, subject to the satisfaction of customary closing conditions. After a four year lock-in period following the date of closing of the Acquisition Transaction, the Dhabi Group shareholders will have the option to put their shares of the merged company to VimpelCom/GTH, and VimpelCom/GTH will have the option to call the shares of the merged company held by the Dhabi Group shareholders, each at fair market value.

For further information please refer to the investor presentation on www.vimpelcom.com which will be loaded at 13:30 CET today. VimpelCom and GTH will host an analyst and investor conference call at 14:00 CET today.

About VimpelCom

VimpelCom, an international telecoms company operating in 14 countries and headquartered in Amsterdam, is one of the world's largest integrated telecommunications services operators providing voice and data services through a range of traditional and broadband mobile and fixed technologies in Russia, Italy, Algeria, Pakistan, Uzbekistan, Kazakhstan, Ukraine, Bangladesh, Kyrgyzstan, Tajikistan, Armenia, Georgia, Laos, and Zimbabwe. VimpelCom's operations around the globe cover territory with a total population of approximately 740 million people. VimpelCom provides services under the "Beeline", "Kyivstar", "WIND", "Mobilink", "banglalink", "Telecel", and "Djezzy" brands. As of September 30, 2015 VimpelCom had 217 million mobile customers and 5.8 million fixed-line broadband customers on a combined basis. VimpelCom is traded on the NASDAQ Global Select Market under the symbol (VIP).

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About Global Telecom Holding

GTH, which is 51.9% owned by VimpelCom Ltd., is a leading international telecommunications company operating mobile networks in high growth markets in Africa and Asia, having a total population under license of approximately 408 million as of September 30, 2015. GTH operates mobile networks in Algeria ("Djezzy"), Pakistan ("Mobilink"), and Bangladesh ("Banglalink"). GTH reached more than 84 million customers as of September 30, 2015. GTH is traded on the Egyptian Exchange under the symbol (GTHE.EY), and on the London Stock Exchange, its GDRs are traded under the symbol (GLTD:LI). For more information visit: <http://www.gtelecom.com>

About Dhabi Group

Dhabi Group / Dhabi Holdings manages the investments of His Highness Sheikh Nahyan Mubarak Al Nahyan and his affiliates, which span various sectors and geographies, particularly: Telecommunication (Warid & Wateen, Pakistan), Banking & Financial Services (Bank Alfalah, Pakistan), Real Estate, Energy (Oil & Gas / Geothermal), Healthcare and Construction in South Asia (Pakistan), Eastern Africa (Uganda), GCC (mainly UAE) and the Caucasus/Black-Sea Region (Georgia, Turkey).

Disclaimer

This release contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, and include statements regarding the expected timing of completion of the transaction, the expected final ownership stake that the Dhabi Group shareholders would acquire at completion; the expected benefits of the transaction, including network improvements and synergies.

Any statement in this release that expresses or implies VimpelCom's, GTH's or Dhabi Group's shareholder intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. Forward-looking statements involve inherent risks, uncertainties and assumptions, including, without limitation, the possibility that: the conditions to completion will not be satisfied or waived or that the requisite regulatory approvals will not be obtained or will be obtained on terms not acceptable to the parties and the transaction; the expected benefits of the transaction may not materialize as expected or at all, due to, among other things, the parties' inability to successfully implement integration strategies or otherwise realize the synergies anticipated; the businesses of either or both of Mobilink or Warid may not perform as expected prior to or following completion of the transaction due to uncertainty or other market factors; and other risks and uncertainties beyond the parties' control may materialize. If such risks or uncertainties materialize or such assumptions prove incorrect, actual results could differ materially from those expressed or implied by such forward-looking statements and assumptions. Certain other risks that could cause actual results to differ materially from those discussed in any forward-looking statements include the risk factors described in VimpelCom's Annual Report on Form 20-F for the year ended December 31, 2014, and other public filings made by the VimpelCom with the U.S. Securities and Exchange Commission,. The forward-looking statements contained in this release are made as of the date hereof, and VimpelCom, GTH and Dhabi Group shareholders each expressly disclaims any obligation to update or correct any forward-looking statements made herein due to the occurrence of events after the issuance of this release.

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