Global Partnerships for Local Impact

Rabat – 28 March 2016

Tomas Lamanauskas
Group Director Public Policy

VimpelCom

Empowering people through digital opportunities

*"Our **Vision** is for our business to play a key role in the socio-economic success of the communities where we operate by providing high quality services to our customers, behaving as a responsible corporate citizen, and leveraging our technology to support development."*

Alexey M. Reznikovich
Chairman of the Supervisory Board

VimpelCom

Digitization is changing the global economy

From	To
Tangible Tangible flows of physical goods	**Intangible** Intangible flows of data and information
Dependence Innovation flows from advanced economies to emerging markets	**Interdependence** Innovation flows between advanced economies and emerging markets
Multinationals Multinationals drive growth in knowledge and innovation	**Start-ups & SMEs** Start-ups and SMEs disrupt industries and have a global reach

Based on McKinsey Global Institute (Digital Globalization: The New Era of Global Flows, March 2016)

VimpelCom

Fueled by global data flows…
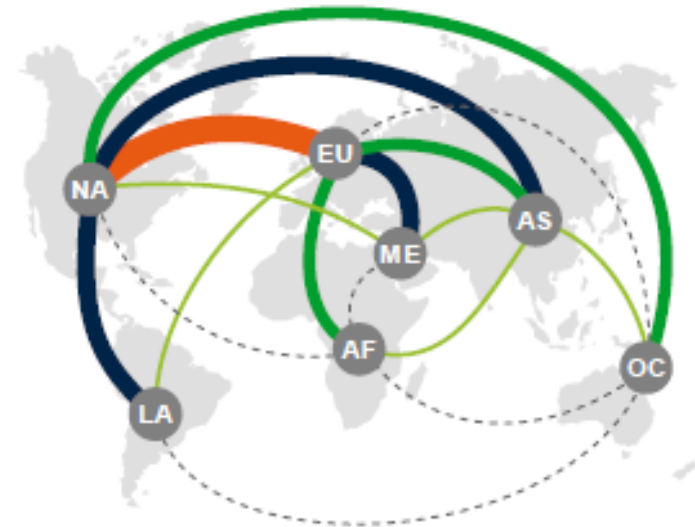

Used cross-border bandwidth

Regions	NA United States and Canada	EU Europe	AS Asia	LA Latin America	ME Middle East	AF Africa	OC Oceania

Bandwidth Gigabits per second (Gbps)	<50	50–100	100–500	500–1,000	1,000–5,000	5,000–20,000	>20,000

2005
100% = 4.7 Terabits per second (Tbps)
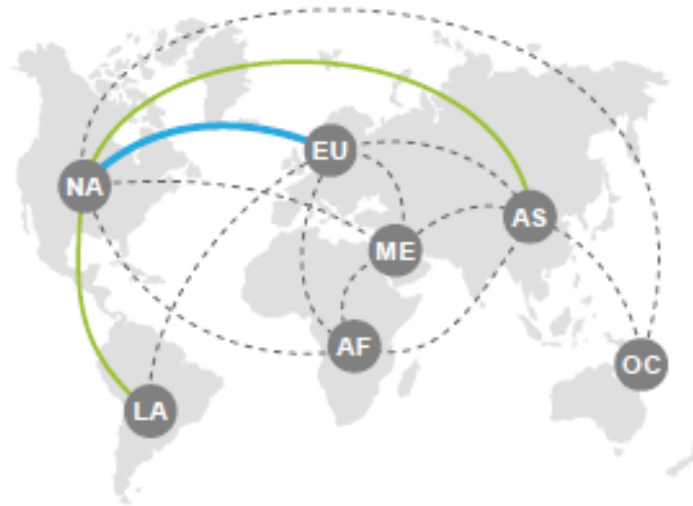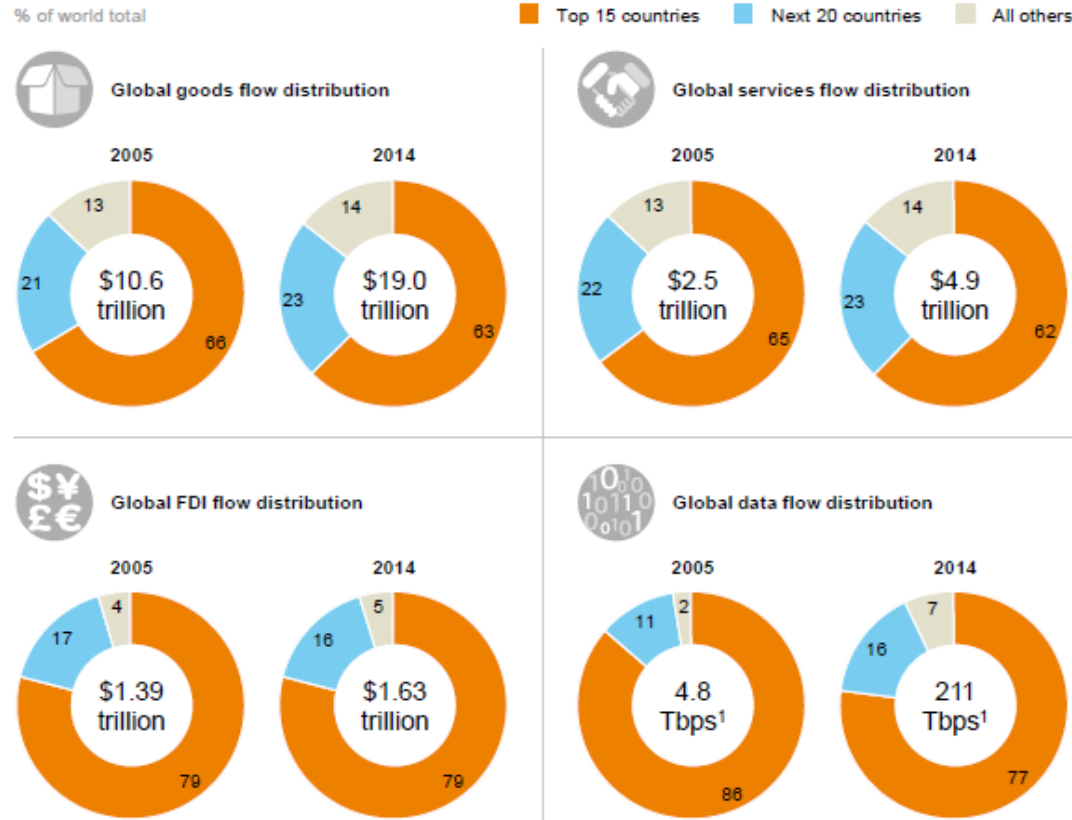
2014
100% = 211.3 Tbps

45x larger

NOTE: Lines represent interregional bandwidth (e.g., between Europe and North America) but exclude intraregional cross-border bandwidth (e.g., connecting European nations with one another).

SOURCE: TeleGeography, Global Internet Geography; McKinsey Global Institute analysis

4

VimpelCom

...and becoming slightly better distributed

% of world total

Legend: ■ Top 15 countries ■ Next 20 countries ■ All others

Global goods flow distribution

2005: $10.6 trillion — 13, 21, 66
2014: $19.0 trillion — 14, 23, 63

Global services flow distribution

2005: $2.5 trillion — 13, 22, 65
2014: $4.9 trillion — 14, 23, 62

Global FDI flow distribution

2005: $1.39 trillion — 4, 17, 79
2014: $1.63 trillion — 5, 16, 79

Global data flow distribution

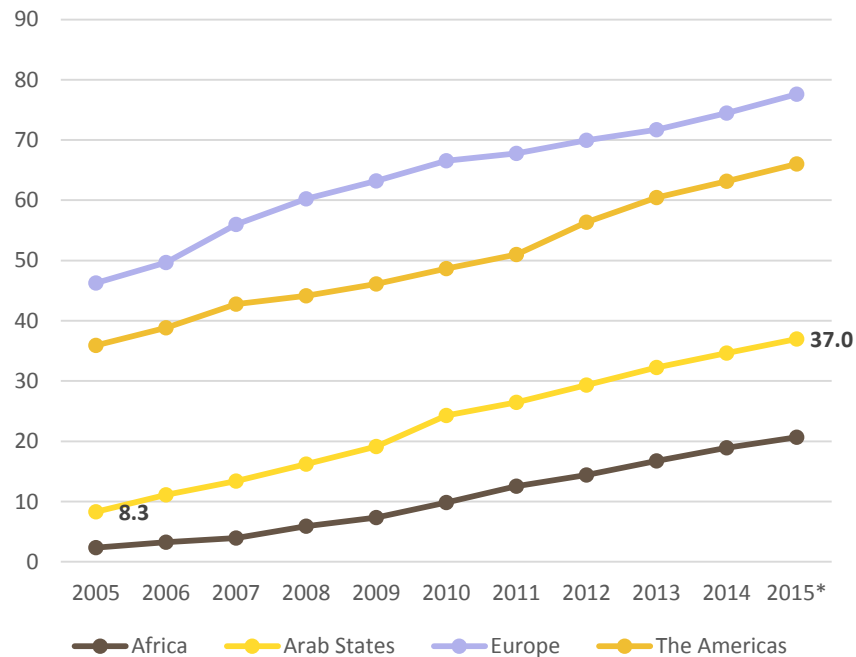2005: 4.8 Tbps[1] — 2, 11, 86
2014: 211 Tbps[1] — 7, 16, 77

1 Tbps = terabits per second.
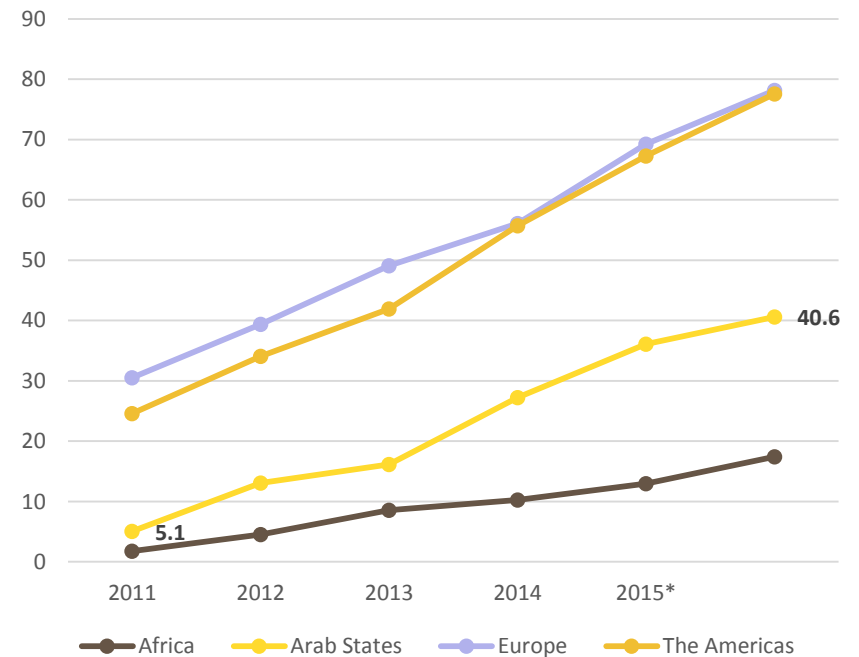NOTE: Numbers may not sum due to rounding.

SOURCE: UNCTAD; IMF; TeleGeography, Global Internet Geography; McKinsey Global Institute analysis

Arab States outpace other regions in terms of connectivity growth…

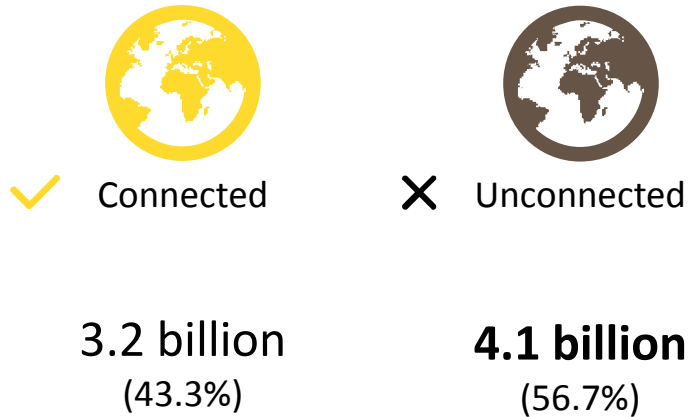### Individuals using the Internet (per 100 inhabitants)
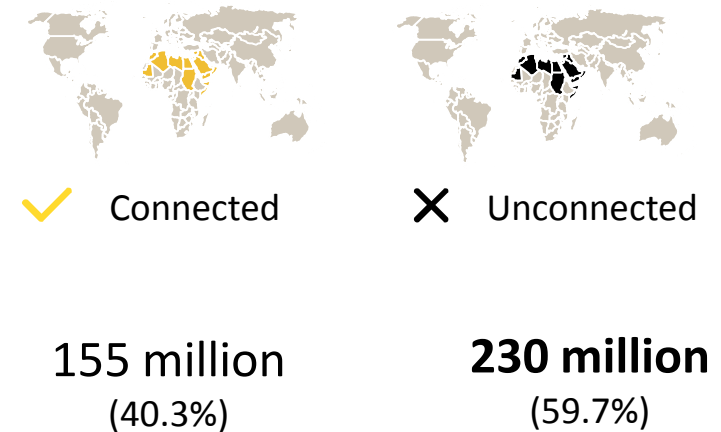
Mobile broadband subscriptions (per 100 inhabitants)

Legend: Africa, Arab States, Europe, The Americas

Source: ITU

…but 230 million people remain unconnected

World

✓ Connected   ✗ Unconnected

3.2 billion
(43.3%)

4.1 billion
(56.7%)

Arab Region

✓ Connected   ✗ Unconnected

155 million
(40.3%)

230 million
(59.7%)

Based on the ITU data

VimpelCom

Challenges remain: Internet use

Individuals using the Internet (per 100 inhabitants)

Qatar 92, Kuwait 91, Bahrain 90, UAE 79, Oman 75, Saudi Arabia 70, Tunisia 64, Lebanon 57, Algeria 46, Morocco 44, Egypt 32, Djibuti 28, Jordan 25, Syria 18, Sudan 11, Mauritania 11

Developed · World · Developing

Mobile broadband subscriptions (per 100 inhabitants)

Qatar 140, Kuwait 126, Bahrain 114, UAE 106, Oman 99, Saudi Arabia 74, Tunisia 54, Lebanon 48, Algeria 44, Morocco 27, Egypt 27, Djibuti 21, Jordan 19, Syria 14, Sudan 6, Mauritania 3

Developed · World · Developing

Source: ITU, Data for 2014

VimpelCom

Challenges remain: international bandwidth

International bandwidth per Internet user
(kB/s)

Developed (198)

Regional average

Country	Value
Qatar	67.74
Kuwait	50.1
Bahrain	49
UAE	44.5
Oman	33.7
Saudi Arabia	30.5
Tunisia	25.9
Lebanon	23.9
Algeria	12.5
Morocco	10.8
Egypt	9.3
Djibuti	8.9
Jordan	7.9
Syria	4
Sudan	2.5
Mauritania	1.4

Source: ITU, Data for 2014

VimpelCom
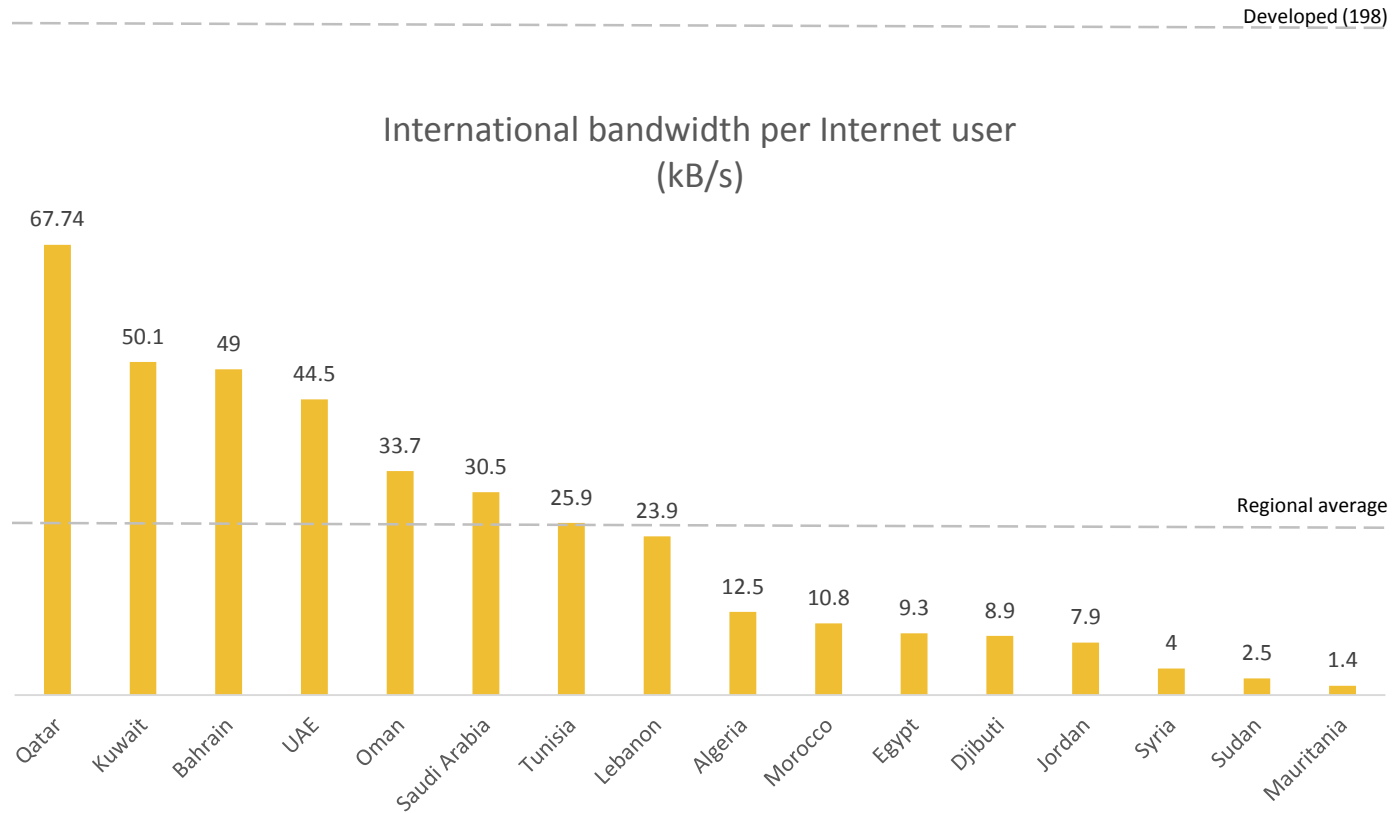
Challenges remain: connected devices per capita

Number of connected devices per capita 2014 > **2019**

6.1 > **11.6**
North America

4.4 > **8.2**
Europe (West)

2.4 > **4.3**
Europe (East)

1 > **1.4**
Middle East & Africa

1.6 > **2.5**
Asia Pacific

2 > **2.9**
Latin America

Source: Cisco VNI Mobile

VimpelCom
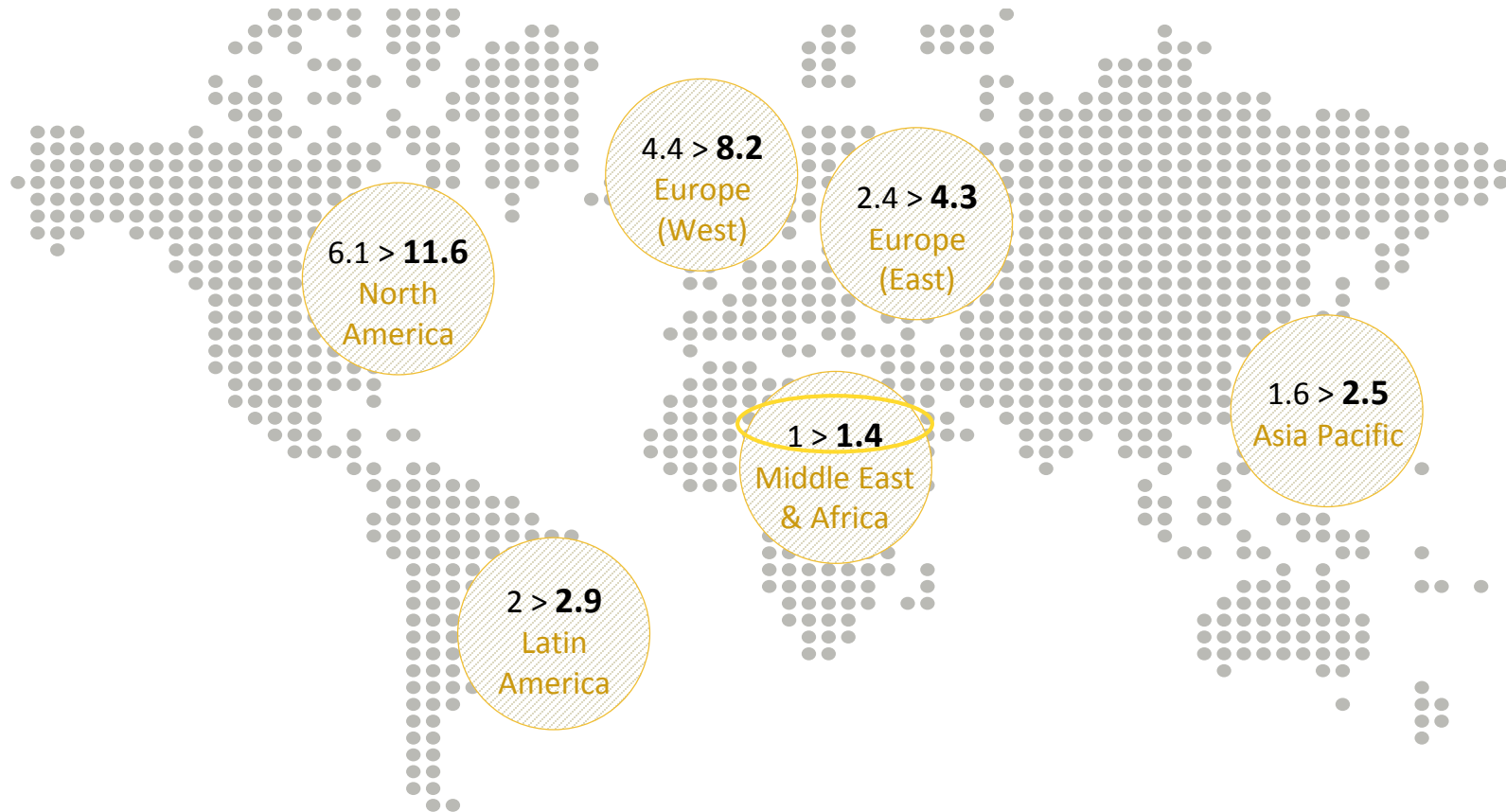
Why it is important: direct contribution from the mobile ecosystem

Contribution to GDP

$122B   **$161B**
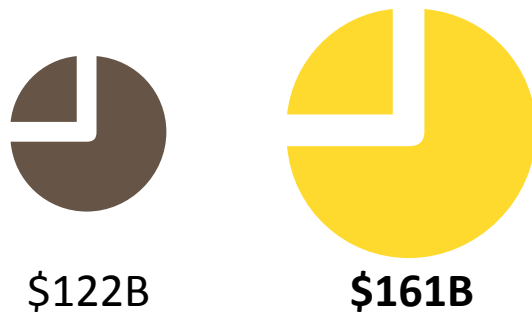
Contribution to public funding

$13B   **$18B**

Contribution to employment

1M   **1.4M**
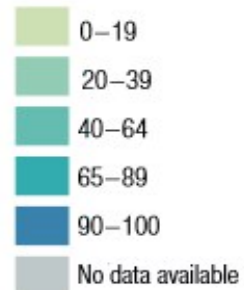
○ 2015
○ 2020

VimpelCom
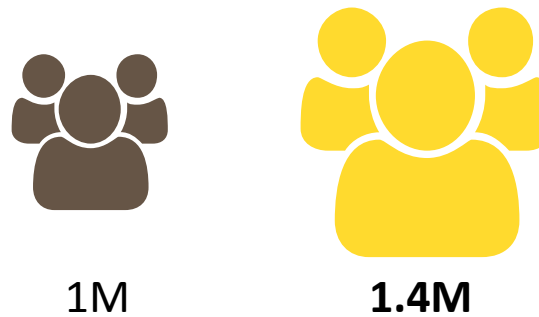
Why it is important: growth

Source: Intel
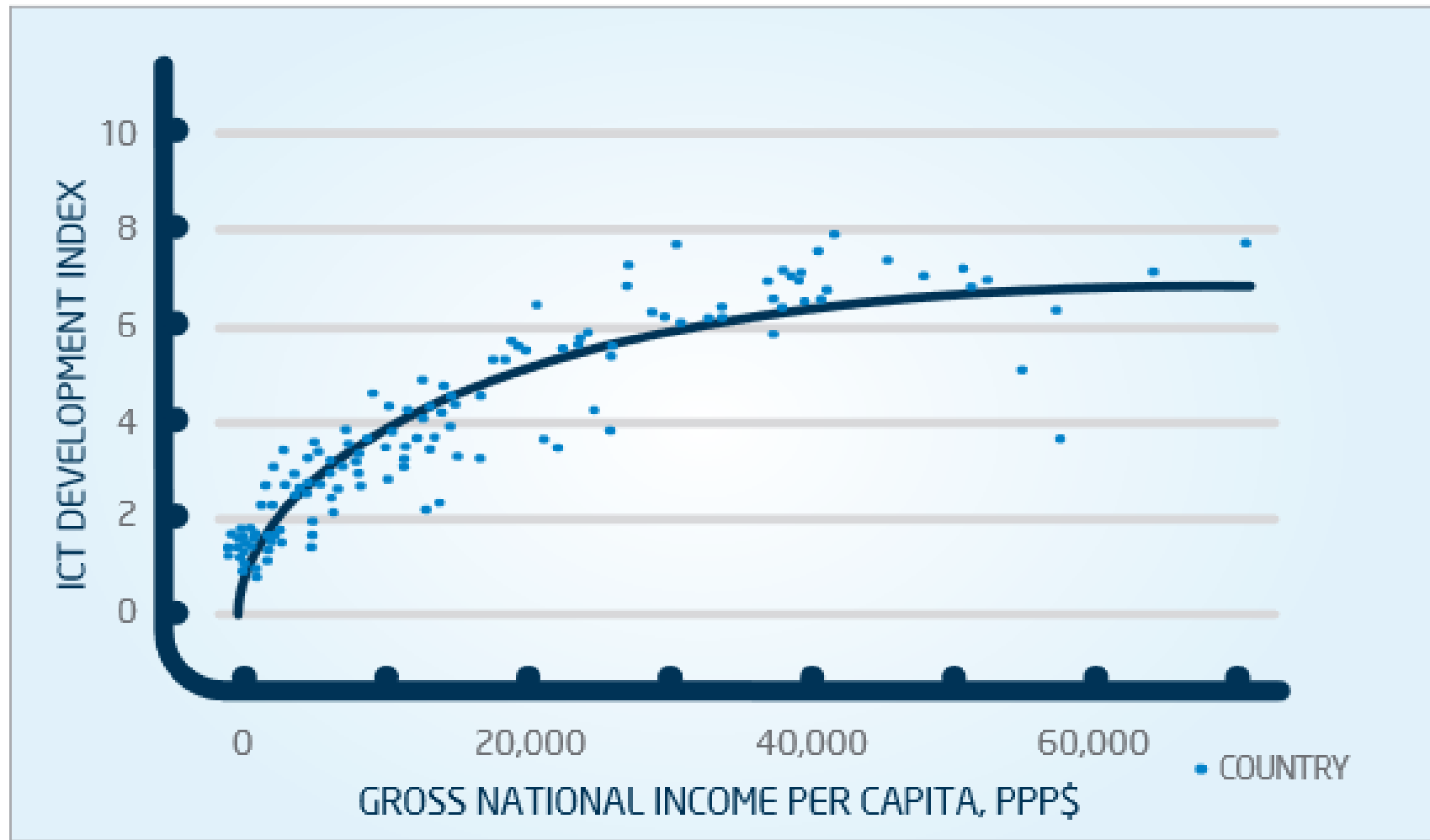
Why it is important: financial inclusion

MAP 1.1
Account penetration around the world

Adults with an account (%), 2014

- 0–19
- 20–39
- 40–64
- 65–89
- 90–100
- No data available

Source: Global Findex database.

IBRD 41559 | APRIL 2015
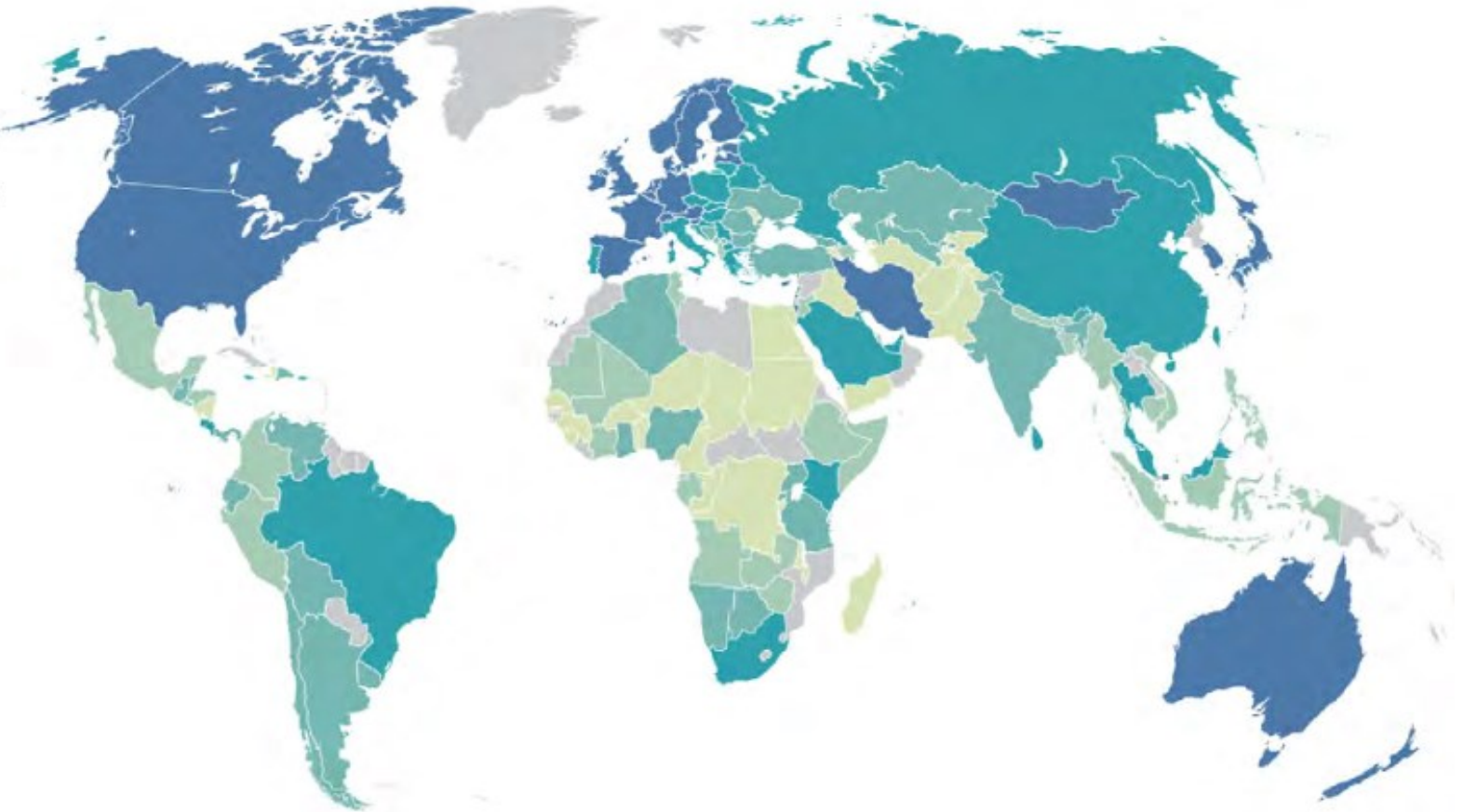
VimpelCom

Why it is important: jobs and income

ECOMMERCE GROWTH BY REGION

15% USA

30% LATIN AMERICA

20% EUROPE

45% MENA

35% ASIA PACIFIC

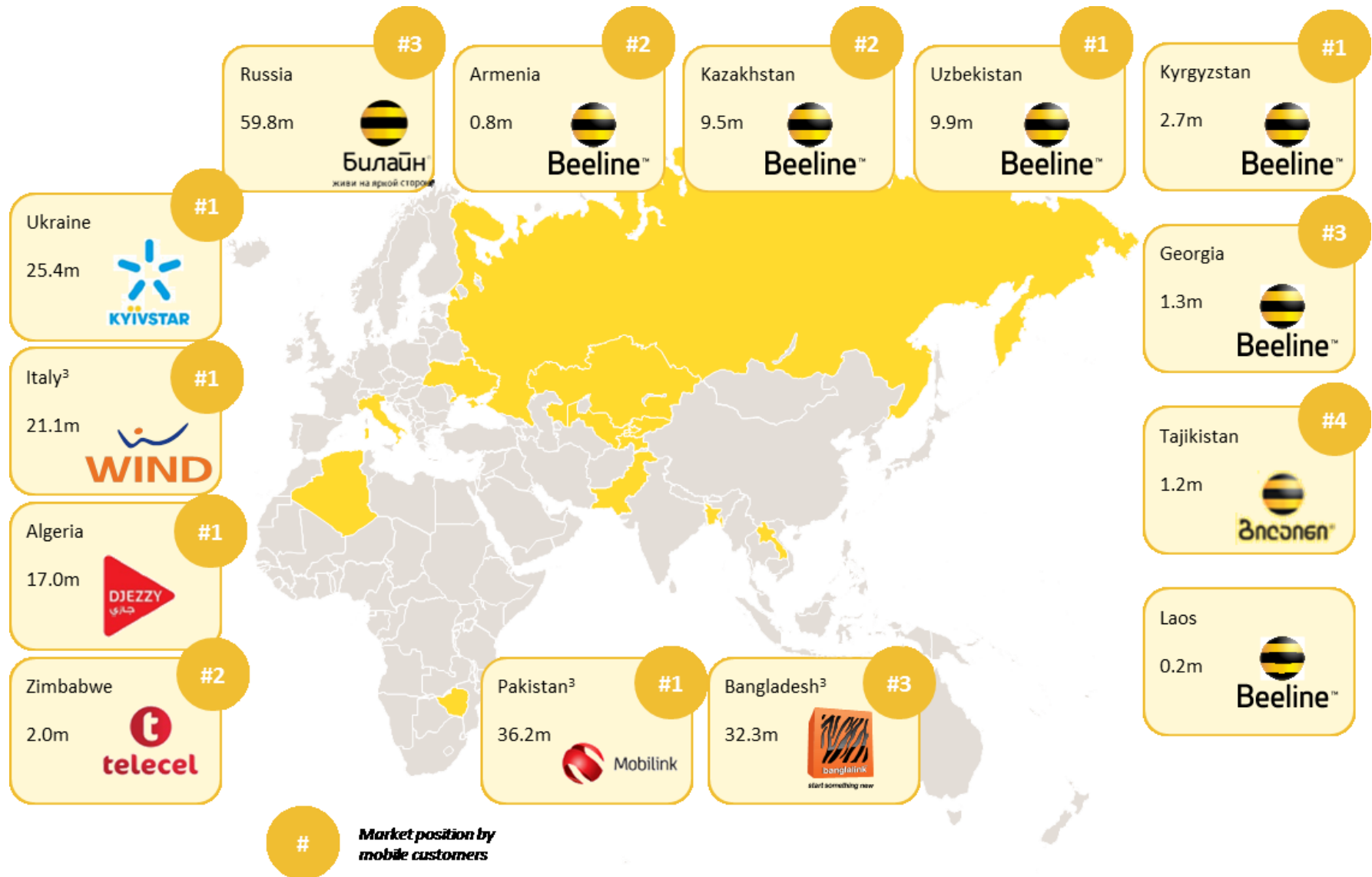Source: PayFort, Data for 2013

VimpelCom

ICTs are key enablers for the SDGs

"The 2030 Agenda for sustainable development has embraced the spread of ICTs of having great potential to accelerate human progress" (United Nations)

VimpelCom

Russia #3 — 59.8m — билайн живи на яркой стороне

Armenia #2 — 0.8m — Beeline™

Kazakhstan #2 — 9.5m — Beeline™

Uzbekistan #1 — 9.9m — Beeline™

Kyrgyzstan #1 — 2.7m — Beeline™

Ukraine #1 — 25.4m — KYIVSTAR

Italy[3] #1 — 21.1m — WIND

Algeria #1 — 17.0m — DJEZZY

Zimbabwe #2 — 2.0m — telecel

Georgia #3 — 1.3m — Beeline™

Tajikistan #4 — 1.2m — ვიდასტან

Laos — 0.2m — Beeline™

Pakistan[3] #1 — 36.2m — Mobilink

Bangladesh[3] #3 — 32.3m — banglalink start something new

\# **Market position by mobile customers**

VimpelCom

VimpelCom

VimpelCom

Mobile customers **217m**	Population covered **740m**
Average country IDI Rank: **87**	Data transmitted **1.13m TB**

DJEZZY

Mobile customers **17**	**Leading** mobile operator
Country IDI rank **113**	Data per user **416MB**

VimpelCom

VimpelCom: customer-centric strategy

PLATFORM / API

Customer

PLATFORM / API
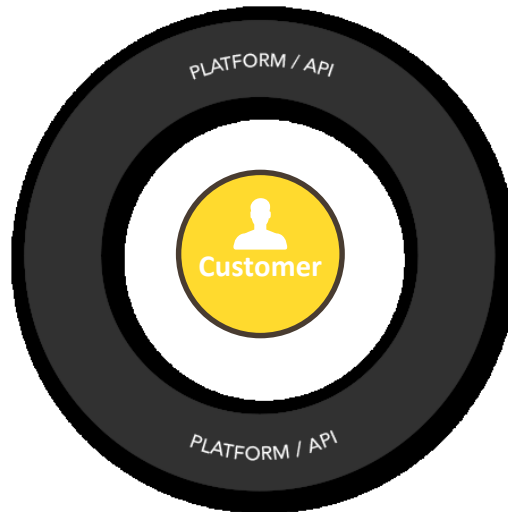
Example: Mobile Financial Services

- **7** markets

- **30m** users

- **40m** monthly transactions

- **Financial coverage** in markets with significant levels of underbanked
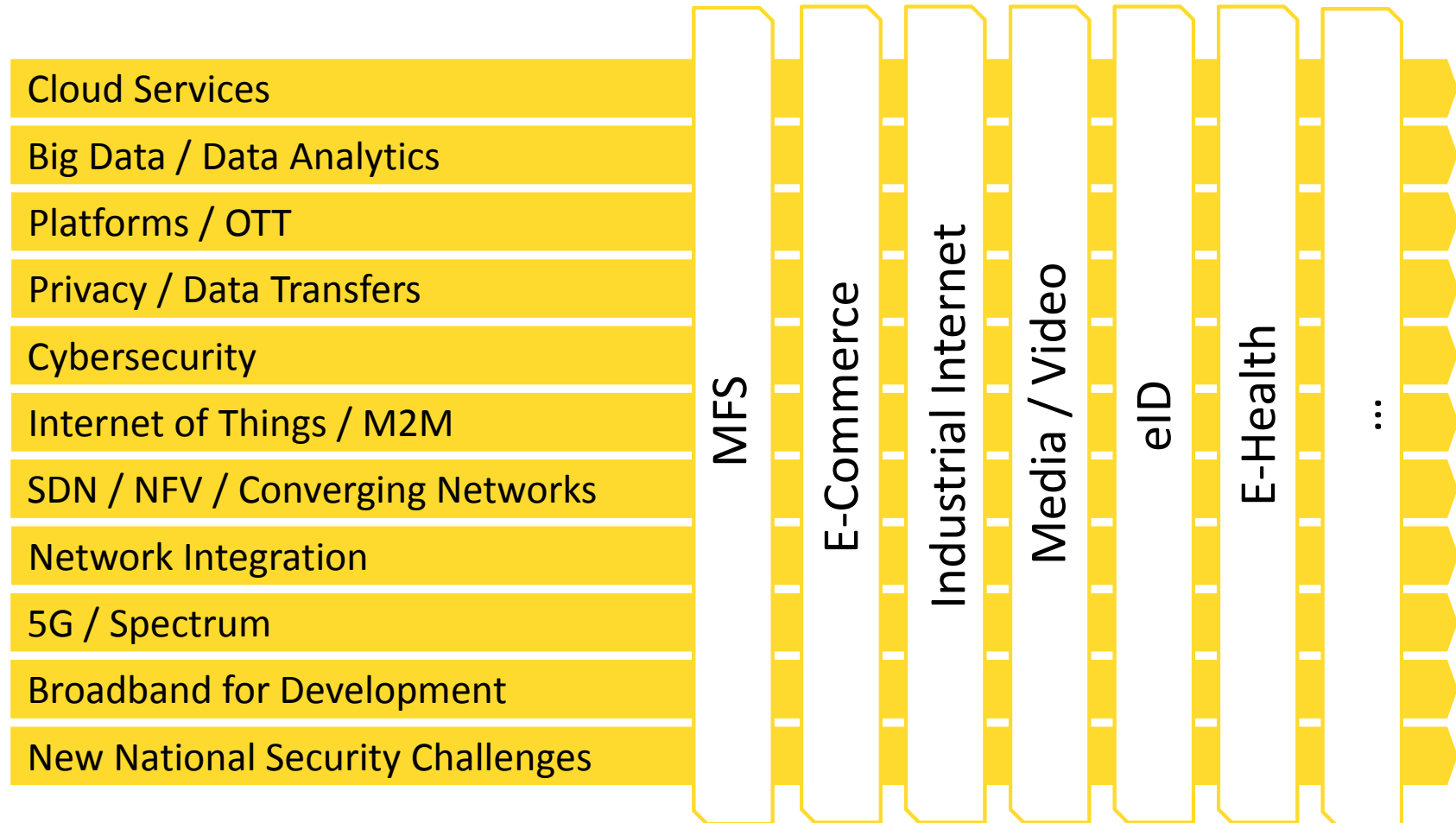
  - **465m underbanked within VimpelCom's footprint**

- **Gender equality:** 40% of our MFS operations are headed by women

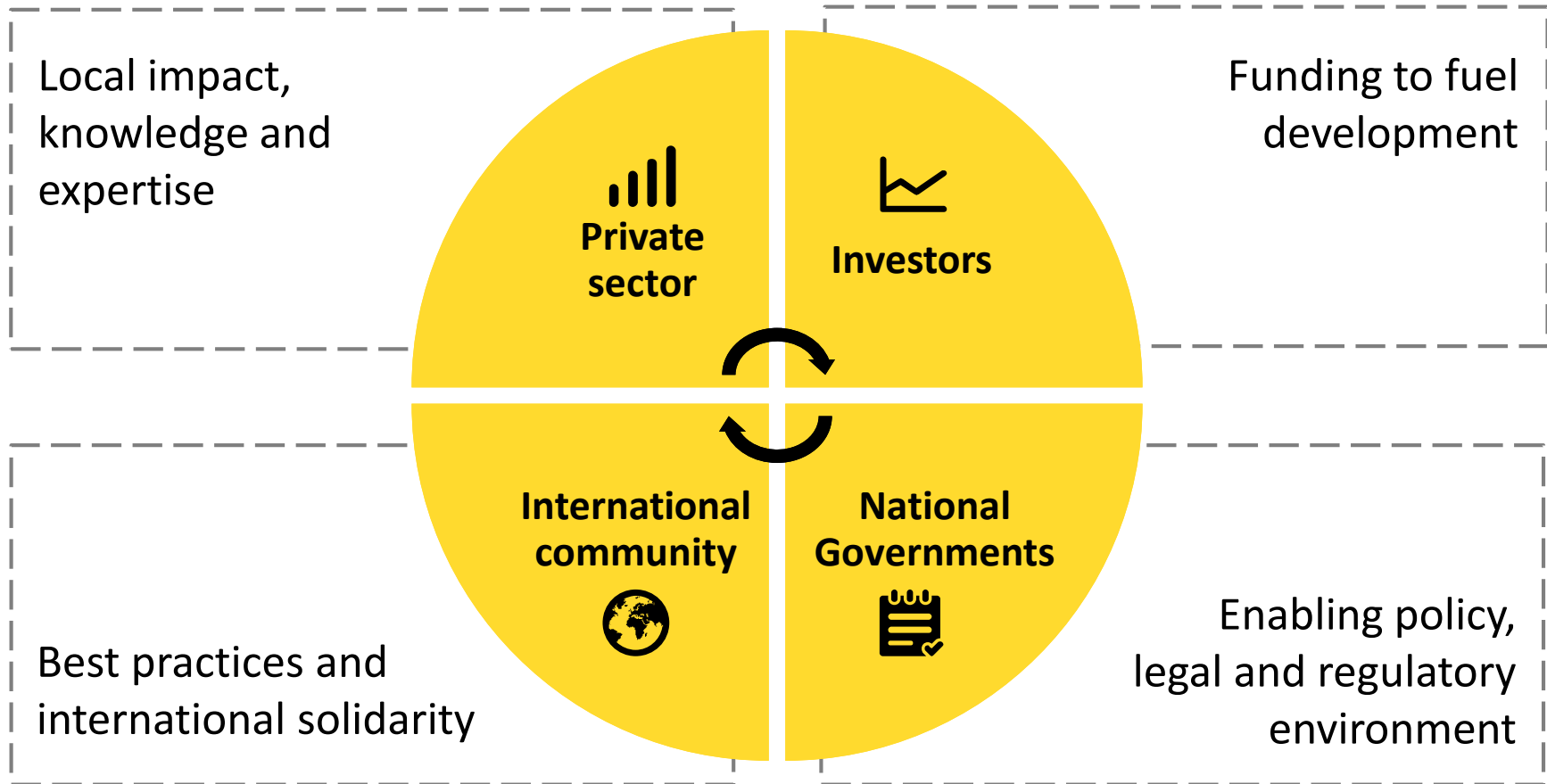- **Airtime transfers** form the basis of our services in Algeria

Policy areas that are gaining importance

| Cloud Services |
| Big Data / Data Analytics |
| Platforms / OTT |
| Privacy / Data Transfers |
| Cybersecurity |
| Internet of Things / M2M |
| SDN / NFV / Converging Networks |
| Network Integration |
| 5G / Spectrum |
| Broadband for Development |
| New National Security Challenges |

MFS · E-Commerce · Industrial Internet · Media / Video · eID · E-Health · …
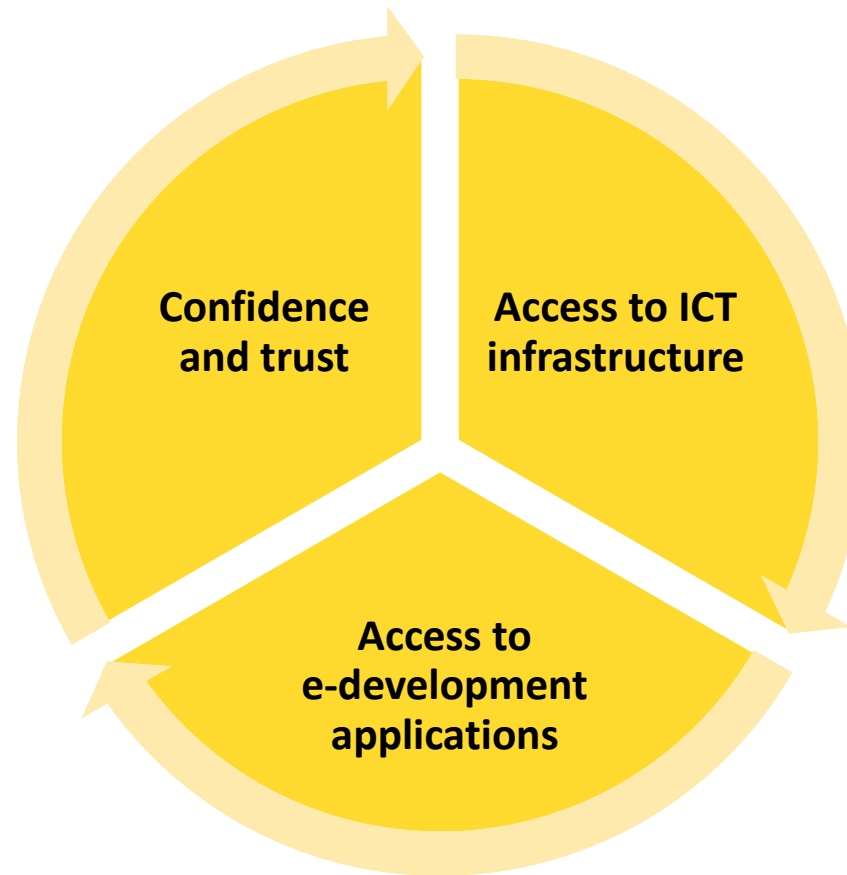
Traditional areas are still important: licensing, infrastructure, competition, interconnection, international bandwidth, universal services / access, retail regulation, taxation...

VimpelCom

For success…

Local impact, knowledge and expertise

Funding to fuel development

Private sector

Investors

International community

National Governments

Best practices and international solidarity

Enabling policy, legal and regulatory environment

VimpelCom

Enabling environment for ICTs

Confidence and trust

Access to ICT infrastructure

Access to e-development applications

"Successful reforms must take into account the need for comprehensive changes that cut across traditional technological and commercial boundaries" (World Bank)

VimpelCom

Enabling environment for ICTs: innovative approaches for policymaking

Outcome-based regulation

Speed of technological change demands forward-looking, principles-based regulations with clear intent, rather than prescriptive regulations

Co-regulation

Rules and codes developed by the industry, in consultation with the government, and with legislative backing should be considered as alternatives to direct regulation

Self-regulation

Where appropriate, self-regulation may be adopted, for which industry itself is responsible for enforcement

VimpelCom

Partnerships are key to our success

"Sustainable development can only be achieved with a broad alliance of people, governments, civil society and the private sector, all working together to secure the future we want"
(UN General Assembly)

Our commitment to local development

Flagship programme

The goal of MYM is to empower young people to make a positive difference, through increased access to education and through inspiring social entrepreneurship, particularly in the digital arena.

Learn more:
http://www.vimpelcom.com/Responsibility/Make-your-mark/

Algeria

Djezzy has launched 'iMadrassa', a new digital tutoring service, aimed at helping high school **students** in Algeria prepare for their graduation examinations.

Djezzy has been supporting national competitions to develop new applications and promote **local developers**. These were held at two Djezzy-sponsored events, the first-ever '3G Cup Algeria', and the third FIKRA Conference.

As part of its efforts to support youth **education**, Djezzy has opened a new reading room in the city´s historic Casbah; working with the Casbah Association.

Tomas Lamanauskas
Group Director Public Policy

Tomas.Lamanauskas@vimpelcom.com

Thank you

www.vimpelcom.com

VimpelCom