

## Selected financial and operating data

### Selected financial data

The following selected consolidated financial data for the five years ended December 31, 2014 are derived from our historical consolidated financial statements which have been audited by PricewaterhouseCoopers Accountants N.V., an independent registered public accounting firm, for the year ended December 31, 2014, and Ernst & Young Accountants LLP, an independent registered public accounting firm, for the years ended December 31, 2013, 2012, 2011 and 2010. The data should be read in conjunction with our audited consolidated financial statements and related notes included in our Annual Report on Form 20-F and the financial information in "Item 5 – Operating and Financial Review and Prospects" therein.

	Years ended December 31,				
	2014	2013	2012	2011	2010
	(In millions of US dollars, except per share amounts)				
Service revenues	18,725	21,529	22,122	19,579	10,291
Sale of equipment and accessories	519	725	677	516	194
Other revenues	383	292	262	167	37
<b>Total operating revenues</b>	<b>19,627</b>	<b>22,546</b>	<b>23,061</b>	<b>20,262</b>	<b>10,522</b>
<b>Operating expenses</b>					
Service costs	4,381	5,133	5,439	4,962	2,251
Cost of equipment and accessories	551	780	693	663	217
Selling, general and administrative expenses	6,725	8,373	7,161	6,381	3,198
Depreciation	2,839	3,050	2,926	2,726	1,403
Amortization	1,479	1,791	2,080	2,059	610
Impairment loss	992	2,973	386	527	–
Loss on disposals of non-current assets	74	100	205	90	49
<b>Total operating expenses</b>	<b>17,041</b>	<b>22,200</b>	<b>18,890</b>	<b>17,408</b>	<b>7,728</b>
<b>Operating profit</b>	<b>2,586</b>	<b>346</b>	<b>4,171</b>	<b>2,854</b>	<b>2,794</b>
Finance costs	2,026	2,150	2,029	1,587	536
Finance income	(54)	(91)	(154)	(120)	(69)
Other non-operating losses/(gains)	152	172	75	308	(35)
Shares of loss/(profit) of associates and joint ventures accounted for using the equity method	38	159	9	35	(90)
Net foreign exchange (gain)/ loss	605	(20)	(70)	190	5
<b>(Loss)/profit before tax</b>	<b>(181)</b>	<b>(2,024)</b>	<b>2,282</b>	<b>854</b>	<b>2,447</b>
Income tax expense	722	2,064	906	585	574
<b>(Loss)/profit for the year</b>	<b>(903)</b>	<b>(4,088)</b>	<b>1,376</b>	<b>269</b>	<b>1,873</b>
<b>Attributable to:</b>					
The owners of the parent	(647)	(2,625)	1,539	543	1,806
Non-controlling interest	(256)	(1,463)	(163)	(274)	67
	<b>(903)</b>	<b>(4,088)</b>	<b>1,376</b>	<b>269</b>	<b>1,873</b>
<b>Earnings per share</b>					
Basic, (loss)/profit for the year attributable to ordinary equity holders of the parent	<b>\$(0.37)</b>	<b>\$(1.53)</b>	<b>\$0.95</b>	<b>\$0.36</b>	<b>\$1.50</b>
Diluted, (loss)/profit for the year attributable to ordinary equity holders of the parent	<b>\$(0.37)</b>	<b>\$(1.53)</b>	<b>\$0.95</b>	<b>\$0.36</b>	<b>\$1.50</b>
Weighted average number of common shares (millions)	<b>1,748</b>	<b>1,711</b>	<b>1,618</b>	<b>1,524</b>	<b>1,207</b>
Dividends declared per share	<b>\$0.035</b>	<b>\$1.24</b>	<b>\$0.80</b>	<b>\$0.80</b>	<b>\$0.80</b>

## Selected financial data

	At December 31,				
	2014	2013 <sup>2</sup>	2012	2011	2010
	(In millions of US dollars)				
<b>Consolidated balance sheet data:</b>					
Cash and cash equivalents	6,342	4,454	4,949	2,325	885
Working capital (deficit) <sup>1</sup>	(938)	(2,815)	(2,421)	(3,074)	(1,023)
Property and equipment, net	11,849	15,493	15,666	15,165	7,299
Intangible assets and goodwill	18,002	24,546	27,565	28,601	9,217
Total assets	41,042	49,747	54,737	54,039	19,505
Total liabilities	37,066	40,669	39,988	39,137	9,093
Total equity	3,976	9,078	14,749	14,902	10,412

1 Working capital is calculated as current assets less current liabilities.

2 Figures for the year ended December 31, 2013 have been adjusted to reflect the adoption of IAS 32 Offsetting Financial Assets and Financial Liabilities, as described in Note 3 to our audited consolidated financial statements included elsewhere in our Annual Report on Form 20-F.

	At December 31,				
	2014	2013	2012	2011	2010
	(In millions of US dollars)				
<b>Other data:</b>					
Adjusted EBITDA*	7,970	8,260	9,768	8,298	4,906

\* Adjusted EBITDA is a non-GAAP financial measure. Please see "Explanatory Note – Non-GAAP Financial Measures" in our Annual Report on Form 20-F for more information on how we calculate Adjusted EBITDA. Reconciliation of Adjusted EBITDA to profit for the year, the most directly comparable IFRS financial measure, is presented below.

### Reconciliation of Adjusted EBITDA to profit for the year

	Years ended December 31,				
	2014	2013	2012	2011	2010
	(Unaudited, in millions of US dollars)				
<b>Adjusted EBITDA</b>	7,970	8,260	9,768	8,298	4,906
Reconciliation adjustments	–	–	–	(42)	(50)
Depreciation	(2,839)	(3,050)	(2,926)	(2,726)	(1,403)
Amortization	(1,479)	(1,791)	(2,080)	(2,059)	(610)
Impairment loss	(992)	(2,973)	(386)	(527)	–
Loss on disposals of non-current assets	(74)	(100)	(205)	(90)	(49)
Finance costs	(2,026)	(2,150)	(2,029)	(1,587)	(536)
Finance income	54	91	154	120	69
Other non-operating losses/(gains)	(152)	(172)	(75)	(308)	35
Shares of (loss)/profit of associates and joint ventures accounted for using the equity method	(38)	(159)	(9)	(35)	90
Net foreign exchange loss	(605)	20	70	(190)	(5)
Income tax expense	(772)	(2,064)	(906)	(585)	(574)
<b>Profit for the year</b>	<b>(903)</b>	<b>(4,088)</b>	<b>1,376</b>	<b>269</b>	<b>1,873</b>

## Selected financial and operating data

### Selected operating data

The following selected operating data as of and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010 has been derived from internal company sources. The selected operating data set forth below should be read in conjunction with our audited consolidated financial statements and their related notes included in the Annual Report on Form 20-F and the section of the Annual Report on Form 20-F entitled "Item 5 – Operating and Financial Review and Prospects."

	As of December 31,				
	2014	2013	2012	2011	2010
<b>Selected Company operating data<sup>1</sup>:</b>					
End of period mobile customers (in millions):					
Russia	57.2	56.5	56.1	57.2	52.0
Italy	21.6	22.3	21.6	21.0	–
Algeria <sup>4</sup>	18.4	17.6	16.7	16.2	–
Africa & Asia <sup>5</sup>	71.6	69.4	64.9	59.9	0.7
Ukraine <sup>4</sup>	26.2	25.8	25.1	23.2	24.2
CIS	26.5	25.4	24.2	19.7	15.6
Total mobile customers	221.6	219.6	208.6	197.2	92.5
Mobile MOU <sup>2</sup>					
Russia	304	291	276	243	219
Italy	264	237	207	197	–
Algeria <sup>4</sup>	194	216	274	289	–
Africa & Asia					
Pakistan	238	226	214	206	–
Bangladesh	197	184	216	209	–
Laos	103	106	97	233	–
Ukraine <sup>4</sup>	511	501	513	483	383
CIS					
Kazakhstan	309	290	213	148	120
Uzbekistan	523	471	474	425	386
Kyrgyzstan	293	265	272	303	258
Armenia	374	339	269	257	294
Tajikistan	286	270	241	229	179
Georgia	228	244	237	207	137
Mobile ARPU (in US dollars) <sup>2</sup>					
Russia	8.6	10.6	10.8	11.0	10.8
Italy	14.6	16.3	18.5	21.7	–
Algeria <sup>4</sup>	7.7	8.4	9.0	9.8	–
Africa & Asia					
Pakistan	2.1	2.3	2.6	2.7	–
Bangladesh	1.5	1.5	1.8	1.8	–
Laos	5.3	6.0	5.6	5.1	–
Ukraine <sup>4</sup>	3.1	4.7	5.2	5.2	4.8
CIS					
Kazakhstan	5.8	7.1	7.6	8.3	9.2
Uzbekistan	5.6	5.3	4.6	4.1	4.1
Kyrgyzstan	5.5	6.6	5.5	5.5	5.3
Armenia	6.6	7.1	6.8	8.1	10.3
Tajikistan	9.2	10.0	8.6	8.8	6.5
Georgia	4.9	6.3	6.7	6.8	7.5

## Selected operating data

	As of December 31,				
	2014	2013	2012	2011	2010
Annual churn (as a percentage) <sup>2</sup>					
Russia	60.1	63.9	63.2	62.8	50.8
Italy	31.4	36.6	35.2	28.3	–
Algeria <sup>4</sup>	23.4	31.6	29.5	23.4	–
Africa & Asia					
Pakistan	26.0	23.0	25.2	29.5	–
Bangladesh	21.6	22.3	25.2	18.5	–
Laos	94.6	102.6	141.0	258.0	–
Ukraine <sup>4</sup>	25.1	35.3	29.8	28.9	29.5
CIS					
Kazakhstan	50.5	48.6	55.8	47.4	43.5
Uzbekistan	48.1	53.5	55.1	59.7	54.2
Kyrgyzstan	65.7	65.6	66.1	52.3	61.9
Armenia	43.9	62.6	83.9	87.6	67.6
Tajikistan	77.1	77.9	72.7	67.4	82.8
Georgia	69.7	74.0	79.1	70.1	94.1
End of period broadband customers, mobile and fixed (in millions):					
Russia	5.9	5.4	5.0	4.6	3.3
Italy	12.3	10.5	7.8	6.6	–
Algeria	–	–	–	–	–
Africa & Asia	–	–	–	–	–
Ukraine	0.8	0.8	0.6	0.4	0.2
CIS <sup>3</sup>	14.1	13.7	12.3	9.5	6.7
<b>Total broadband customers</b>	<b>33.1</b>	<b>30.3</b>	<b>25.6</b>	<b>12.3</b>	<b>3.7</b>

1 For information on how we calculate mobile customer data, mobile MOU, mobile ARPU, mobile churn rates and broadband customer data, please refer to the section of the Annual Report on Form 20-F entitled "Item 5 – Operating and Financial Review and Prospects – Certain Performance Indicators." The mobile customer numbers for Africa & Asia include 2.2 million customers from our equity investee in Zimbabwe (accounted at cost) as of December 31, 2014 and 2.6 million customers as of December 31, 2013 and 2012.

2 For WIND Telecom Group companies acquired on April 15, 2011, mobile MOU, ARPU and churn are calculated based on the full year.

3 CIS mobile broadband customers are those who have performed at least one mobile Internet event in the three-month period prior to the measurement date, as well as fixed Internet access using FTTB, xDSL and WiFi technologies.

4 The customer numbers for 2012, 2011 and 2010 have been adjusted to reflect revised customer numbers in Algeria and Ukraine where the definition of customers has been aligned to the Group definition. MOU, Mobile ARPU and Churn have been adjusted accordingly.

5 The customer numbers for 2013, 2012, 2011 and 2010 have been adjusted to remove customers in operations that have been sold.