

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS  
Form 6-K  
August 30, 2007

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**FORM 6-K**

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**Report of Foreign Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**For the month of August 2007**

**Commission File Number 1-14522**

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**Open Joint Stock Company Vimpel-Communications**

**(Translation of registrant's name into English)**

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**10 Ulitsa 8-Marta, Building 14, Moscow, Russian Federation 127083**

**(Address of principal executive offices)**

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Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

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Yes [ ] No [X]

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_ .

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OPEN JOINT STOCK COMPANY  
VIMPEL-COMMUNICATIONS  
(Registrant)

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Date: August 30, 2007

By: /s/ Alexander V. Izosimov  
Name: Alexander V. Izosimov  
Title: Chief Executive Officer and

General Director

**FOR IMMEDIATE RELEASE**

**VIMPELCOM ANNOUNCES SECOND QUARTER AND SIX MONTH 2007**

**FINANCIAL AND OPERATING RESULTS**

**Moscow and New York (August 30, 2007) - Open Joint Stock Company Vimpel-Communications ( VimpelCom or the Company ) (NYSE: VIP)**, a leading provider of wireless telecommunications services in Russia and the Commonwealth of Independent States (CIS) today announced its financial and operating results for the quarter and six months ended June 30, 2007.

**Financial and Operating Highlights**

Net operating revenues reached a record high \$1,717.2 million in the second quarter, a year-on-year increase of 53.1% and a quarter-on-quarter increase of 15.4%.

OIBDA reached a record high \$896.8 million, a year-on-year increase of 59.7% and a quarter-on-quarter increase of 17.0%.

OIBDA margin reached 52.2%, including 53.4% in Russia and 53.7% in Kazakhstan.

Net income totaled a record high \$359.3 million, a year-on-year increase of 84.3%.

Operating cash flow reached a record high \$695.6 million, a year-on-year increase of 61.7%.

MOU and ARPU grew sequentially in all markets, including 12.8% ARPU growth in Russia. Commenting on today's announcement, Alexander Izosimov, Chief Executive Officer of VimpelCom, said, "It was another very strong quarter for VimpelCom. The Company achieved all-time records in key financial parameters: revenue, OIBDA, net income and operating cash flow. The strength of our business was further supported by growth of operating parameters, including ARPU and MOU simultaneously in all the markets where we operate. This further validates our belief in the high growth potential of the CIS which is becoming an increasingly important part of our business."

We are also pleased to note that our OIBDA grew at a remarkable pace of almost 60% year-on-year. Moreover, the fact that our OIBDA grew faster than revenues illustrates that we continue to gain efficiency.

**Changes in definitions and reported data**

Beginning with this press-release the Company will use independent research to the extent it is available when reporting market share information. We believe using independent and consistent data is the preferable way to reflect our market share performance.

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**VimpelCom Announces Second Quarter And Six Month 2007 Financial And Operating Results**

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Beginning with the Company's 1Q2007 earnings press release, the number of subscribers, ARPU and MOU are reported on the basis of active subscribers. For convenience, we continue to report the registered subscriber base and the related figures for comparable periods (see Attachment A for relevant definitions and refer to Attachment D for relevant data).

All the above-mentioned definitions refer to mobile subscribers. With the acquisition of Armentel, the Company also has fixed-line subscribers which are treated separately.

Attachments A, B, C and D present respectively

- definitions for certain terms used in this press release,
- the condensed consolidated financial statements of VimpelCom,
- tables with relevant reconciliations of non-U.S. GAAP financial measures to their most directly comparable U.S. GAAP financial measures, and
- certain additional reference data relating to the registered subscriber base.

**Key Consolidated Financial and Operating Results**

	2Q2007	2Q2006	Three months Change, 2Q07/2Q06	1Q2007	Change, 2Q07/1Q07
Active subscribers	47,701,300	41,282,500	15.5%	45,784,400	4.2%
Fixed line subscribers	610,300	NA		607,400	0.5%
Net operating revenues (US\$,000)	1,717,167	1,121,546	53.1%	1,488,047	15.4%
OIBDA (US\$, 000)	896,758	561,555	59.7%	766,417	17.0%
OIBDA margin	52.2%	50.1%		51.5%	
Gross margin (US\$, 000)	1,402,665	920,276	52.4%	1,220,993	14.9%
Gross margin percentage	81.7%	82.1%		82.1%	
SG&A (US\$, 000)	494,445	355,031	39.3%	439,467	12.5%
SG&A percentage	28.8%	31.7%		29.5%	
Net income (US\$, 000)	359,273	194,946	84.3%	277,275	29.6%
Net income per share (US\$)	7.07	3.83		5.45	
Net income per ADS <sup>*)</sup> (US\$)	0.35	0.19		0.27	

<sup>\*)</sup> Number of ADS for the purpose of this calculation is based on the new ratio of 20 ADSs per one ordinary share, which came into effect on August 21, 2007.

In the second quarter of 2007, VimpelCom invested \$334.8 million for the purchase of long-lived assets.

Consolidated figures represent the combined effect of the Company's operations in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia and Armenia.

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**VimpelCom Announces Second Quarter And Six Month 2007 Financial And Operating Results**

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			Three months Change,		Change,
RUSSIA	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
Net operating revenues* (million US\$)	1,459.0	1,020.5	43.0%	1,278.4	14.1%
including interconnect revenue	203.3	63.8	218.7%	170.7	19.1%
OIBDA (million US\$)	779.8	529.7	47.2%	676.5	15.3%
OIBDA margin	53.4%	51.9%		52.9%	
Gross margin (million US\$)	1208.6	849.4	42.3%	1,064.5	13.5%
Gross margin percentage	82.8%	83.2%		83.2%	
SG&A (million US\$)	418.7	317.6	31.8%	374.8	11.7%
SG&A percentage	28.7%	31.1%		29.3%	
Net income (million US\$)	355.7	197.6	80.0%	280.4	26.9%
ARPU, (US\$)	12.3	9.0	36.7%	10.9	12.8%
MOU, (min)	192.6	140.7	36.9%	160.9	19.7%
SAC (US\$)	22.8	18.0	26.7%	22.1	3.2%
Active subscribers	40,139,600	38,161,700	5.2%	38,631,100	3.9%
Churn	7.6%	7.4%		8.6%	
Subscriber market share**)	30.9%	33.4%		31.2%	

\*) Net operating revenues here and in the following country tables exclude inter-company transactions.

\*\*) Subscriber market share data presented here and in the following country tables are published by AC&M-Consulting and are generally based on registered subscribers.

In Russia our continued efforts to deliver growth through active marketing led to 43.0% year-on-year revenue growth, which is a remarkable achievement for a company of our size operating in a saturated market. This trend was further amplified by a favorable business environment and seasonal factors, resulting in a 14.1% increase in revenue in the second quarter of 2007 versus the first quarter of 2007.

Selling, general and administrative expenses (SG&A) as a percentage of net operating revenues were 28.7%, showing improvement on both a quarter-on-quarter and a year-on-year basis, from 29.3% and 31.1%, respectively.

The above-mentioned factors resulted in substantial improvement in OIBDA margin in the second quarter of 2007 as compared with the second quarter of 2006. The net income improvement was also helped by a slowdown in capital expenditures in the first half of 2007, and a corresponding deceleration in growth of depreciation charges.

In April 2007, we received an operating 3G license for the entire territory of Russia. This had no material impact on our results for the second quarter of 2007.

In the second quarter of 2007, VimpelCom invested \$188.9 million for the purchase of long-lived assets in Russia.

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KAZAKHSTAN			Three months		Change, 2Q07/1Q07
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	
Net operating revenues (million US\$)	148.6	80.1	85.5%	118.9	25.0%
including interconnect revenue	26.5	18.9	40.2%	20.5	29.3%
OIBDA (million US\$)	80.3	33.9	136.9%	62.0	29.5%
OIBDA margin	53.7%	42.2%		51.9%	
Gross margin (million US\$)	112.0	55.3	102.5%	88.2	27.0%
Gross margin percentage	75.0%	68.9%		73.9%	
SG&A (million US\$)	31.7	20.2	56.7%	25.4	24.8%
SG&A percentage	21.2%	25.2%		21.3%	
Net income <sup>*)</sup> (million US\$)	16.4	11.0	49.1%	13.1	25.2%
ARPU, (US\$)	13.6	12.6	7.9%	12.2	11.5%
MOU, (min)	88.8	66.3	33.9%	72.3	22.8%
SAC (US\$)	10.9	9.3	17.2%	9.0	21.1%
Active subscribers	3,857,600	2,204,300	75.0%	3,501,300	10.2%
Churn	6.3%	8.2%		5.5%	
Subscriber market share	49.3%	44.1%		50.2%	

<sup>\*)</sup> After minority interest.

In the second quarter of 2007, the Company continued the successful development of its Kazakhstan operations. Substantial subscriber growth was accompanied by growth in MOU and ARPU. These factors led to impressive year-on-year and quarter-on-quarter growth in net operating revenues, OIBDA and net income.

OIBDA margin grew to 53.7% the highest level ever recorded by the Company in Kazakhstan. This exceptionally high margin was supported by growth of promotion-driven on-net traffic. We believe that the results demonstrate the underlying strength of the Kazakhstan market.

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UKRAINE			Three months		Change, 2Q07/1Q07
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	
Net operating revenues (US\$, million)	22.7	5.8	291.4%	15.7	44.6%
including interconnect revenue	7.6	1.8	322.2%	5.4	40.7%
OIBDA (million US\$)	-3.1	-11.3		-6.5	
Gross margin (million US\$)	13.5	2.3	487.0%	9.5	42.1%
Gross margin percentage	56.7%	39.0%		58.3%	
SG&A (million US\$)	16.5	13.2	25.1%	16.0	3.4%
SG&A percentage	69.5%	223.7%		98.2%	
Net income (million US\$)	-17.2	-17.0		-18.4	
ARPU, (US\$)	4.2	5.9	-28.8%	3.0	40.0%
MOU, (min)	159.9	172.4	-7.3%	138.0	15.9%
SAC (US\$)	9.3	14.5	-35.9%	8.9	4.5%
Active subscribers	1,821,800	473,300	284.9%	1,953,200	-6.7%
Churn	7.0%	27.4%		5.7%	
Subscriber market share	5.2%	1.6%		4.5%	

Our Ukrainian operations continue to show encouraging trends. Revenues almost quadrupled on a year-on-year basis and we managed to achieve impressive 44.6% quarter-on-quarter revenue growth despite a persistently aggressive pricing environment. A balanced tariff policy combined with seasonal growth in usage and guest roaming allowed us to increase our ARPU by 40.0% on a quarter-on-quarter basis. OIBDA, though still negative, demonstrated a clear positive trend in the second quarter of 2007, and SG&A expenses were practically unchanged compared to the previous quarter.

We have also almost quadrupled the number of active subscribers in Ukraine in the past twelve months. Our subscriber market continues to grow reaching 5.2% in the second quarter of 2007. During the last quarter, we rebalanced our tariffs and tightened our churn policy, which led to a significant improvement in the quality of our subscriber base but at the same time decreased the number of active subscribers on a quarter-on-quarter basis.

Our focus in Ukraine remains on increasing our subscriber base, simultaneously paying attention to its quality, and striving towards positive OIBDA.

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UZBEKISTAN	2Q2007	2Q2006	Three months Change, 2Q07/2Q06	1Q2007	Change, 2Q07/1Q07
Net operating revenues (million US\$)	23.1	15.0	54.0%	18.0	28.3%
OIBDA (million US\$)	11.4	9.5	19.8%	8.7	31.4%
OIBDA margin	49.1%	63.3%		47.7%	
Gross margin (million US\$)	20.0	13.1	52.7%	15.2	31.6%
Gross margin percentage	86.1%	87.3%		83.5%	
SG&A (million US\$)	8.4	3.6	133.4%	6.4	29.7%
SG&A percentage	36.0%	23.9%		35.5%	
Net income (million US\$)	4.3	3.6	19.4%	2.5	72.0%
ARPU, (US\$)	7.2	12.7	-43.3%	6.7	7.5%
MOU, (min)	265.6	349.3	-24.0%	242.2	9.7%
SAC (US\$)	4.4	5.6	-21.4%	3.7	18.9%
Active subscribers	1,192,400	434,400	174.5%	1,106,300	7.8%
Subscriber market share	32.7%	25.8%		33.1%	

In Uzbekistan mobile penetration is still only 15%, so our focus remains on growing our subscriber base. Accordingly, our active subscriber base grew 174.5% year-on-year. Subscriber growth, coupled with an increase in ARPU, led to healthy 28.3% revenue growth in the second quarter of 2007 as compared to the first quarter of 2007.

Our strategy is to continue investing in the development of the market. Key priorities in Uzbekistan are subscriber growth, network build-out, opening of new offices and development of our sales and distribution network.

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TAJIKISTAN	2Q2007	2Q2006	Three months Change, 2Q07/2Q06	1Q2007	Change, 2Q07/1Q07
Net operating revenues (million US\$)	5.16	0.12	4200.0%	2.85	81.1%
OIBDA (million US\$)	0.09	-0.31		-0.34	
Gross margin (million US\$)	3.24	0.08	3950.0%	1.55	109.0%
Gross margin percentage	62.5%	66.7%		54.2%	
SG&A (million US\$)	3.12	0.39	705.7%	1.89	64.6%
SG&A percentage	60.2%	312.1%		66.1%	
Net income <sup>*)</sup> (million US\$)	-1.77	-0.30		-1.00	
ARPU, (US\$)	10.1	4.0	152.5%	8.7	16.1%
MOU, (min)	224.2	47.6	371.0%	205.8	8.9%
SAC (US\$)	15.3	3.5	337.1%	9.0	70.0%
Active subscribers	204,900	8,800	2228.4%	145,300	41.0%
Subscriber market share	15.2%	2.2%		11.2%	

<sup>\*)</sup> After minority interest.

Tajikistan continued to demonstrate excellent growth in the second quarter. On a quarter-on-quarter basis the Company reported 81.1% growth in net operating revenues backed by 41.0% growth in the number of active subscribers, an increase in usage and 16.1% growth in ARPU. The Company continued to grow market share in the second quarter.

In order to accelerate growth we increased our sales and marketing investments, which resulted in an increase in SAC. Despite this, OIBDA turned positive in the second quarter.

The rapid development of our Tajikistan operations is due in part to a successful marketing policy, network roll-out, improving service quality and brand promotion activities.

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**NEW OPERATIONS**

	Three months		Change, 2Q07/1Q07
	2Q 2007	1Q 2007	
<b>ARMENIA</b>			
Net operating revenues (million US\$), including	58.35	54.07	7.9%
Mobile revenues	23.14	19.83	16.7%
fixed revenues	35.21	34.24	2.8%
OIBDA (million US\$)	30.07	27.31	10.1%
OIBDA margin	51.6%	50.4%	
Net income <sup>*)</sup> (million US\$)	3.96	2.55	55.3%
Mobile active subscribers	471,000	439,900	7.1%
ARPU, (US\$)	17.3	14.5	19.3%
MOU, (min)	185.1	141.3	31.0%
Mobile subscriber market share	33.2%	37.3%	
Fixed subscribers	610,300	607,400	0.5%
ARPU fixed (US\$)	19.3	18.8	2.7%

<sup>\*)</sup> After minority interest.

Armenian business showed very robust financial performance. We have started to implement changes in tariffs, and changes in customer service and network development across the country aimed at enhancing Armentel's position in the mobile market. At the same time we are operating the fixed-line network and exploring fixed-to-mobile convergence opportunities. We have initiated a process of large-scale network modernization with the aim of building a next generation converged fixed/mobile network.

While the Company is concerned with the reported erosion of our subscriber market share, we believe that it is largely driven by changing the source of our market share data from internal estimations to AC&M-Consulting. Nonetheless, we are dissatisfied with the absolute level of our market share in Armenia and building it will be our main near-term priority. To address this issue we have developed actions which we believe will strengthen our commercial operations and build market presence starting from the second half of this year.

**GEORGIA**

The Company launched commercial operations in Georgia on March 15, 2007. Currently we continue to build the network and develop our sales and distribution channels. At the end of the second quarter we had approximately 14,000 active subscribers and revenues of US\$ 0.15 million, so our operations in this country are still in the early phases.

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*VimpelCom Announces Second Quarter And Six Month 2007 Financial And Operating Results*

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The Company's management will discuss its second quarter results during a conference call and slide presentation on August 30, 2007 at 6:30 pm Moscow time (10:30 am ET in New York). The call and slide presentation may be accessed via webcast at the following URL address <http://www.vimpelcom.com>. The conference call replay and the slide presentation webcast will be available through September 06, 2007 and September 27, 2007, respectively. The slide presentation will also be available for download on VimpelCom's website <http://www.vimpelcom.com>.

The VimpelCom Group includes companies operating in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia and Armenia. The VimpelCom Group's GSM and 3G license portfolio covers a territory with a population of about 250 million. This includes the entire territories of Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia and Armenia. VimpelCom was the first Russian company to list its shares on the New York Stock Exchange ( NYSE ). VimpelCom's ADSs are listed on the NYSE under the symbol VIP .

*The second quarter 2007 U.S. GAAP financial statements were approved unanimously by our board of directors.*

*This press release contains forward-looking statements , as the phrase is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to the Company's strategic and development plans, including network development plans, and developments in the telecommunications markets in which the Company operates. These and other forward-looking statements are based on management's best assessment of the Company's strategic and financial position and of future market conditions and trends. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of unforeseen developments from competition, governmental regulation of the telecommunications industries in Russia and the CIS, general political uncertainties in Russia and the CIS and general economic developments in Russia and the CIS, challenges to 3G and Far East tenders and/or litigation with third parties or our shareholders (including Telenor), the Company's ability to continue to grow its overall revenues and its subscriber base, continued volatility in the world economy and other factors. As a result of such risks and uncertainties, there can be no assurance that the effects of competition or current or future changes in the political, economic and social environment or current or future regulation of the Russian and CIS telecommunications industries will not have a material adverse effect on the VimpelCom Group. Certain factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risks described in the Company's Annual Report on Form 20-F for the year ended December 31, 2006 and other public filings made by the Company with the United States Securities and Exchange Commission, which risk factors are incorporated herein by reference. VimpelCom disclaims any obligation to update developments of these risk factors 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.*

For more information, please contact:

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Financial Dynamics  
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mpolyviou@fd-us.com

**-Definitions and tables are attached**

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**Attachment A: Definitions**

**Registered subscriber** is an authorized user of cellular services, using one SIM card (GSM/3G) with one or several selective numbers or one handset (DAMPS/CDMA) with one selective number. The number of subscribers includes employees using cellular services and excludes guest roamers and users of test SIM cards or handsets.

**Churn rate** is defined as the total number of registered subscribers disconnected from our network within a given period of time expressed as a percentage of the midpoint of subscribers in our network at the beginning and end of that period. Contract subscribers are disconnected if they have not paid their bills for 2 months and prepaid subscribers are disconnected 6 months after their services have been blocked. We typically block a prepaid subscriber's service in two cases: (1) their balance drops to \$0 or below, and (2) an account shows no chargeable activity within 6 months. The Company retains the right to change its disconnect policy to reflect changes in business or regulatory environment.

**Active subscribers** are those subscribers in the registered subscriber base who were a party to a revenue generating activity in the past three months and remain in the base at the end of the reported period. Such activities include all incoming and outgoing calls, subscriber fee accruals, debits related to service, outgoing SMS, MMS, data transmission and receipt sessions, but do not include incoming SMS and MMS sent by our Company or abandoned calls.

**Prepaid subscribers** are those subscribers who pay for their services in advance.

**Fixed-line subscriber** is an authorized user of fixed-line communications services.

**OIBDA** is a non-U.S. GAAP financial measure. OIBDA, previously referred to as EBITDA by the Company, is defined as operating income before depreciation and amortization. The Company believes that OIBDA provides useful information to investors because it is an indicator of the strength and performance of our business operations, including our ability to finance capital expenditures, acquisitions and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under U.S. GAAP, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our OIBDA calculations are commonly used as bases for some investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the wireless telecommunications industry. OIBDA should not be considered in isolation as an alternative to net income, operating income or any other measure of performance under U.S. GAAP. OIBDA does not include our need to replace our capital equipment over time. Reconciliation of OIBDA to operating income, the most directly comparable U.S. GAAP financial measure, is presented below in the reconciliation tables section.

**OIBDA margin** is OIBDA expressed as a percentage of total net operating revenues. Reconciliation of OIBDA margin to operating income as a percentage of total net operating revenues, the most directly comparable U.S. GAAP financial measure, is presented below in the reconciliation tables section.

**Gross margin** is defined as total operating revenues less service costs and cost of handsets and accessories sold.

**Gross margin percentage** is gross margin expressed as a percentage of total net operating revenues.

**Each ADS** represents 0.05 of one share of common stock. This ratio was established effective August 21, 2007.

**ARPU** (Monthly Average Revenue per User), a non-U.S. GAAP financial measure, is calculated by dividing the Company's service revenue during the relevant period, including roaming revenue and interconnect revenue, but excluding revenue from connection fees, sales of handsets and accessories and other non-service revenue, by the average number of the Company's active subscribers during the period and dividing by the number of months in that period. Reconciliation of ARPU to service revenues and connection fees, the most directly comparable U.S. GAAP financial measure, is presented below in the tables section. The Company believes that ARPU provides useful information to investors because it is an indicator of the performance of the Company's business operations and assists management in budgeting. The Company also believes that ARPU provides management with useful information concerning usage and acceptance of the Company's services. ARPU should not be viewed in isolation or an alternative to other figures reported under U.S. GAAP.

**ARPU<sub>REG</sub>** is ARPU calculated with regard to the registered subscriber base.

**MOU** (Monthly Average Minutes of Use per User) is 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 active subscribers during the period and dividing by the number of months in that period.

**MOU<sub>REG</sub>** is MOU calculated with regard to the registered subscriber base.

**SAC** (Average Acquisition Cost Per User), a non-U.S. GAAP financial measure, is calculated as dealers' commissions (for sales and bonus for exclusivity<sup>\*</sup>), advertising expenses and handset subsidies for the relevant period divided by the number of new subscribers added during the relevant period. Reconciliation of SAC to selling, general and administrative expenses, the most directly comparable U.S. GAAP financial measure, is presented below in the tables section. The Company believes that SAC in growing markets provides useful information to investors because it is an indicator of the performance of the Company's business operations and assists management in budgeting. The Company also believes that SAC assists management in quantifying the incremental costs to acquire a new subscriber. SAC should not be viewed in isolation or as an alternative to other figures reported under U.S. GAAP.

**Market share of subscribers for each relevant area is calculated by dividing the estimated number of our subscribers in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan and Armenia, respectively, by the total estimated number of subscribers in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan and Armenia, respectively.**

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<sup>\*</sup>) *Dealers' bonus for exclusivity which we counted prior to the fourth quarter of 2006 as a part of general and administrative expenses is now included in the dealers' commission expense. Historical numbers including SAC were recalculated accordingly.*

## Attachment B: VimpelCom financial statements

## Open Joint Stock Company Vimpel-Communications

## Unaudited Condensed Consolidated Statements of Operations

	Six months ended			
	Three months ended		June 30,	
	June 30, 2007	2006	2007	2006
	<i>(In thousands of US dollars, except per share (ADS) amounts)</i>			
<b>Operating revenues:</b>				
Service revenues and connection fees	\$ 1,715,482	\$ 1,116,152	\$ 3,201,674	\$ 2,046,302
Sales of handsets and accessories	1,263	5,319	2,785	10,648
Other revenues	1,236	577	2,202	1,564
<b>Total operating revenues</b>	<b>1,717,981</b>	<b>1,122,048</b>	<b>3,206,661</b>	<b>2,058,514</b>
Revenue based tax	(814)	(502)	(1,447)	(801)
<b>Net operating revenues</b>	<b>1,717,167</b>	<b>1,121,546</b>	<b>3,205,214</b>	<b>2,057,713</b>
<b>Operating expenses:</b>				
Service costs (exclusive of depreciation shown separately below)	313,011	196,374	578,337	359,293
Cost of handsets and accessories sold	1,491	4,896	3,219	9,846
Selling, general and administrative expenses	494,445	355,031	933,912	637,956
Depreciation	285,365	194,845	554,537	365,939
Amortization	53,807	43,148	107,096	84,103
Provision for doubtful accounts	11,462	3,690	26,571	6,456
<b>Total operating expenses</b>	<b>1,159,581</b>	<b>797,984</b>	<b>2,203,672</b>	<b>1,463,593</b>
<b>Operating income</b>	<b>557,586</b>	<b>323,562</b>	<b>1,001,542</b>	<b>594,120</b>
<b>Other income and expenses:</b>				
Interest income	7,657	3,491	12,309	4,883
Other income	864	1,691	3,041	3,795
Interest expense	(47,643)	(47,419)	(93,448)	(90,592)
Other expenses	(8,730)	(7,738)	(21,721)	(12,315)
Net foreign exchange gain (loss)	8,362	20,103	25,091	25,682
<b>Total other income and expenses</b>	<b>(39,490)</b>	<b>(29,872)</b>	<b>(74,728)</b>	<b>(68,547)</b>
<b>Income before income taxes and minority interest</b>	<b>518,096</b>	<b>293,690</b>	<b>926,814</b>	<b>525,573</b>
<b>Income taxes expense</b>	<b>143,648</b>	<b>87,866</b>	<b>263,594</b>	<b>163,744</b>
<b>Minority interest in net earnings of subsidiaries</b>	<b>15,175</b>	<b>10,878</b>	<b>26,672</b>	<b>14,778</b>
<b>Income before cumulative effect of change in accounting principle</b>	<b>359,273</b>	<b>194,946</b>	<b>636,548</b>	<b>347,051</b>
Cumulative effect of changes in accounting principles				(1,882)
<b>Net income</b>	<b>\$ 359,273</b>	<b>\$ 194,946</b>	<b>\$ 636,548</b>	<b>\$ 345,169</b>
Net income per common share	\$ 7.07	\$ 3.83	\$ 12.52	\$ 6.77
Net income per ADS equivalent	\$ 0.35	\$ 0.19	\$ 0.63	\$ 0.34
<b>Weighted average common shares outstanding (thousands)</b>	<b>50,833</b>	<b>50,913</b>	<b>50,862</b>	<b>50,972</b>



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<b>Dividends per share</b>	<b>\$ 6.47</b>	<b>\$ 6.47</b>
<b>Dividends per ADS equivalent</b>	<b>\$ 0.32</b>	<b>\$ 0.32</b>

## Open Joint Stock Company Vimpel-Communications

## Unaudited Condensed Consolidated Balance Sheets

	June 30, 2007	December 31, 2006
	<i>(In thousands of US dollars)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 950,666	\$ 344,494
Trade accounts receivable	288,492	311,991
Other current assets	416,850	468,071
Total current assets	1,656,008	1,124,556
Non-current assets		
Property and equipment, net	4,865,589	4,615,675
Telecommunication licenses and allocation of frequencies, net	888,912	924,809
Other intangible assets, net	1,067,448	1,033,140
Other assets	732,743	738,366
Total non-current assets	7,554,692	7,311,990
<b>Total assets</b>	<b>\$ 9,210,700</b>	<b>\$ 8,436,546</b>
<b>Liabilities and shareholders equity</b>		
Current liabilities:		
Accounts payable	\$ 555,623	\$ 671,532
Due to related parties	939	421
Customer advances and deposits	299,373	314,375
Bank loans, current portion	361,660	358,211
Dividends payable, net	283,868	
Accrued liabilities	437,486	267,437
Total current liabilities	1,938,949	1,611,976
Deferred income taxes	511,356	528,025
Bank and other loans, less current portion	2,096,280	1,980,726
Equipment financing and other liabilities	105,321	115,050
Minority Interest	246,552	257,859
Shareholders equity	4,312,242	3,942,910
<b>Total liabilities and shareholders equity</b>	<b>\$ 9,210,700</b>	<b>\$ 8,436,546</b>

## Open Joint Stock Company Vimpel-Communications

## Unaudited Condensed Consolidated Statements of Cash Flows

	Six months ended June 30,	
	2007	2006
	<i>(In thousands of US dollars)</i>	
<b>Net cash provided by operating activities</b>	<b>\$ 1,351,512</b>	<b>\$ 792,024</b>
Proceeds from bank and other loans	291,896	744,409
Sale of treasury stock	34,995	2,784
Payments of fees in respect of bank loans	(1,288)	(37,789)
Repayment of rouble denominated bonds		(110,783)
Repayment of bank and other loans	(176,674)	(234,372)
Repayment of equipment financing obligations	(38,429)	(31,946)
Purchase of treasury stock	(81,069)	(38,535)
Repayment of lease obligations	(331)	
<b>Net cash provided by financing activities</b>	<b>29,100</b>	<b>293,768</b>
Purchase of property and equipment	(604,238)	(532,422)
Acquisition of subsidiaries, net of cash	(55,924)	(252,522)
Purchase price adjustment for ArmenTel and Tacom	(12,688)	
Purchase of intangible assets	(14,185)	(21,275)
Purchase of other assets	(93,403)	(194,529)
<b>Net cash used in investing activities</b>	<b>(780,437)</b>	<b>(1,000,748)</b>
<b>Effect of exchange rate changes on cash</b>	<b>5,997</b>	<b>9,121</b>
<b>Net increase (decrease) in cash</b>	<b>606,172</b>	<b>94,165</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>344,494</b>	<b>363,646</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 950,666</b>	<b>\$ 457,811</b>
<b>Supplemental cash flow information</b>		
<b>Cash paid during the period:</b>		
Income tax	\$ 260,199	\$ 129,832
Interest	99,475	88,391
<b>Non-cash activities:</b>		
Equipment acquired under financing and capital lease agreements	\$ 25,873	\$ 3,536
Accounts payable for equipment and other long-lived assets	199,033	170,804
Offset of 2009 Tendered Notes		232,766
Utilized part of Ericsson non-cash discount in Ukraine	(1,658)	22,161
<b>Acquisitions:</b>		
Fair value of assets acquired		150,021
Fair value of minority interest acquired	41,636	
Difference between the amount paid and the fair value of net assets acquired	14,288	154,061
Cash paid for the capital stock	(55,924)	(260,974)
Liabilities assumed	\$	\$ 43,108

## Attachment C. Reconciliation tables (Unaudited)

## CONSOLIDATED

## Reconciliation of OIBDA

*(In thousands of US dollars)*

	Three months ended		
	June 30,	June 30,	March 31,
	2007	2006	2007
<b>OIBDA</b>	<b>896,758</b>	<b>561,555</b>	<b>766,417</b>
Depreciation	(285,365)	(194,845)	(269,172)
Amortization	(53,807)	(43,148)	(53,289)
<b>Operating income</b>	<b>557,586</b>	<b>323,562</b>	<b>443,956</b>

## Reconciliation of OIBDA Margin

	Three months ended		
	June 30,	June 30,	March 31,
	2007	2006	2007
<b>OIBDA margin</b>	<b>52.2%</b>	<b>50.1%</b>	<b>51.5%</b>
Less: Depreciation as a percentage of net operating revenue	(16.6)%	(17.4)%	(18.1)%
Less: Amortization as a percentage of net operating revenue	(3.1)%	(3.9)%	(3.6)%
<b>Operating income as a percentage of net operating revenue</b>	<b>32.5%</b>	<b>28.8%</b>	<b>29.8%</b>

## RUSSIA

## Reconciliation of OIBDA in Russia

*(In thousands of US dollars)*

	Three months ended		
	June 30,	June 30,	March 31,
	2007	2006	2007
<b>OIBDA</b>	<b>779,828</b>	<b>529,704</b>	<b>676,476</b>
Depreciation	(240,387)	(182,684)	(232,681)
Amortization	(28,478)	(25,657)	(28,536)
<b>Operating income</b>	<b>510,963</b>	<b>321,363</b>	<b>415,259</b>

## Reconciliation of OIBDA Margin in Russia

	Three months ended		
	June 30,	June 30,	March 31,
	2007	2006	2007
<b>OIBDA margin</b>	<b>53.4%</b>	<b>51.9%</b>	<b>52.9%</b>
Less: Depreciation as a percentage of net operating revenue	(16.5)%	(17.9)%	(18.2)%
Less: Amortization as a percentage of net operating revenue	(1.9)%	(2.5)%	(2.2)%

<b>Operating income as a percentage of net operating revenue</b>	<b>35.0%</b>	<b>31.5%</b>	<b>32.5%</b>
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## Reconciliation of SAC in Russia

*(In thousands of US dollars, except for SAC and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Selling, general and administrative expenses</b>	<b>418,738</b>	<b>317,608</b>	<b>374,757</b>
Less: General and administrative expenses	305,941	219,320	284,977
Sales and marketing expenses, <i>including advertising &amp; marketing expenses</i>	112,797	98,288	89,780
<i>dealers' commission expense</i>	57,636	50,709	43,132
New gross subscribers, '000	55,161	47,579	46,648
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>22.8</b>	<b>18.0</b>	<b>22.1</b>

## Reconciliation of ARPU in Russia

*(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Service revenue and connection fees</b>	<b>1,457,896</b>	<b>1,014,810</b>	<b>1,276,754</b>
Less: Connection fees	164	622	169
Less: Revenue from rent of fiber-optic channels	983	325	964
Service revenue used to calculate ARPU	1,456,749	1,013,863	1,275,621
Average number of registered subscribers, '000	49,043	45,803	47,974
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>9.9</b>	<b>7.4</b>	<b>8.9</b>
Average number of active subscribers, '000	39,359	37,733	39,021
<b>ARPU (US\$)</b>	<b>12.3</b>	<b>9.0</b>	<b>10.9</b>

## KAZAKHSTAN

## Reconciliation of OIBDA in Kazakhstan

*(In thousands of US dollars)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>OIBDA</b>	<b>80,317</b>	<b>33,908</b>	<b>62,007</b>
Depreciation	(17,537)	(9,363)	(15,817)
Amortization	(9,419)	(9,324)	(9,154)
<b>Operating income</b>	<b>53,361</b>	<b>15,221</b>	<b>37,036</b>

## Reconciliation of OIBDA Margin in Kazakhstan

*(In thousands of US dollars)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>OIBDA margin</b>	<b>53.7%</b>	<b>42.2%</b>	<b>51.9%</b>

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Less: Depreciation as a percentage of net operating revenue	(11.7)%	(11.7)%	(13.2)%
Less: Amortization as a percentage of net operating revenue	(6.3)%	(11.5)%	(7.7)%
<b>Operating income as a percentage of net operating revenue</b>	<b>35.7%</b>	<b>19.0%</b>	<b>31.0%</b>

## Reconciliation of SAC in Kazakhstan

*(In thousands of US dollars, except for SAC and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Selling, general and administrative expenses</b>	<b>31,723</b>	<b>20,240</b>	<b>25,423</b>
Less: General and administrative expenses	23,250	14,761	18,700
Sales and marketing expenses, <i>including advertising &amp; marketing expenses</i>	8,473	5,479	6,723
<i>dealers' commission expense</i>	4,918	2,275	3,895
New gross subscribers, 000	3,555	3,204	2,828
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>10.9</b>	<b>9.3</b>	<b>9.0</b>

## Reconciliation of ARPU in Kazakhstan

*(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Service revenue and connection fees</b>	<b>149,326</b>	<b>80,301</b>	<b>119,399</b>
Less: Connection fees	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0
Service revenue used to calculate ARPU	149,326	80,301	119,399
Average number of registered subscribers, 000	4,598	2,681	4,086
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>10.8</b>	<b>10.0</b>	<b>9.7</b>
Average number of active subscribers, 000	3,655	2,120	3,271
<b>ARPU (US\$)</b>	<b>13.6</b>	<b>12.6</b>	<b>12.2</b>

## UKRAINE

## Reconciliation of OIBDA in Ukraine

*(In thousands of US dollars)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>OIBDA</b>	<b>(3,073)</b>	<b>(11,259)</b>	<b>(6,518)</b>
Depreciation	(4,330)	(859)	(3,203)
Amortization	(5,234)	(4,909)	(5,210)
<b>Operating income</b>	<b>(12,637)</b>	<b>(17,027)</b>	<b>(14,931)</b>



## Reconciliation of SAC in Ukraine

*(In thousands of US dollars, except for SAC and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Selling, general and administrative expenses</b>	<b>16,527</b>	<b>13,216</b>	<b>15,980</b>
Less: General and administrative expenses	11,833	7,283	10,844
Sales and marketing expenses, <i>including advertising &amp; marketing expenses</i>	4,694	5,933	5,136
<i>dealers' commission expense</i>	3,723	5,312	4,158
New gross subscribers, '000	971	621	978
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>9.3</b>	<b>14.5</b>	<b>8.9</b>

## Reconciliation of ARPU in Ukraine

*(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Service revenue and connection fees</b>	<b>23,436</b>	<b>5,948</b>	<b>16,158</b>
Less: Connection fees	36	0	5
Less: Revenue from rent of fiber-optic channels	0	0	0
Service revenue used to calculate ARPU	23,400	5,948	16,153
Average number of registered subscribers, '000	2,474	424	2,143
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>3.2</b>	<b>4.7</b>	<b>2.5</b>
Average number of active subscribers, '000	1,847	338	1,781
<b>ARPU (US\$)</b>	<b>4.2</b>	<b>5.9</b>	<b>3.0</b>

## UZBEKISTAN

## Reconciliation of OIBDA in Uzbekistan

*(In thousands of US dollars)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>OIBDA</b>	<b>11,388</b>	<b>9,507</b>	<b>8,664</b>
Depreciation	(3,312)	(1,902)	(3,097)
Amortization	(3,414)	(3,113)	(3,383)
<b>Operating income</b>	<b>4,662</b>	<b>4,492</b>	<b>2,184</b>

## Reconciliation of OIBDA Margin in Uzbekistan

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>OIBDA margin</b>	<b>49.1%</b>	<b>63.3%</b>	<b>47.7%</b>
Less: Depreciation as a percentage of net operating revenue	(14.3)%	(12.7)%	(17.0)%
Less: Amortization as a percentage of net operating revenue	(14.7)%	(20.7)%	(18.6)%

<b>Operating income as a percentage of net operating revenue</b>	<b>20.1%</b>	<b>29.9%</b>	<b>12.0%</b>
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**Reconciliation of SAC in Uzbekistan***(In thousands of US dollars, except for SAC and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Selling, general and administrative expenses</b>	<b>8,355</b>	<b>3,580</b>	<b>6,442</b>
Less: General and administrative expenses	6,579	2,869	4,630
Sales and marketing expenses, <i>including advertising &amp; marketing expenses</i>	1,776	711	1,812
<i>dealers' commission expense</i>	856	266	699
New gross subscribers, '000	920	445	1,113
New gross subscribers, '000	403	127	488
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>4.4</b>	<b>5.6</b>	<b>3.7</b>

**Reconciliation of ARPU in Uzbekistan***(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Service revenue and connection fees</b>	<b>24,009</b>	<b>15,507</b>	<b>18,778</b>
Less: Connection fees	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0
Service revenue used to calculate ARPU	24,009	15,507	18,778
Average number of registered subscribers, '000	1,148	456	980
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>7.0</b>	<b>11.3</b>	<b>6.4</b>
Average number of active subscribers, '000	1,109	406	930
<b>ARPU (US\$)</b>	<b>7.2</b>	<b>12.7</b>	<b>6.7</b>

**TAJIKISTAN****Reconciliation of OIBDA in Tajikistan***(In thousands of US dollars)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>OIBDA</b>	<b>94</b>	<b>(305)</b>	<b>(343)</b>
Depreciation	(587)	(37)	(345)
Amortization	(158)	(145)	(158)
<b>Operating income</b>	<b>(651)</b>	<b>(487)</b>	<b>(846)</b>

## Reconciliation of SAC in Tajikistan

*(In thousands of US dollars, except for SAC and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Selling, general and administrative expenses</b>	<b>3,118</b>	<b>387</b>	<b>1,894</b>
Less: General and administrative expenses	2,044	386	1,199
Sales and marketing expenses, <i>including advertising &amp; marketing expenses</i>	1074	0.7	695
<i>dealers' commission expense</i>	665	0.6	305
New gross subscribers, '000	409	0.1	390
New gross subscribers, '000	70	0.2	77
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>15.3</b>	<b>3.5</b>	<b>9.0</b>

## Reconciliation of ARPU in Tajikistan

*(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>Service revenue and connection fees</b>	<b>5,222</b>	<b>119</b>	<b>2,891</b>
Less: Connection fees	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0
Service revenue used to calculate ARPU	5,222	119	2,891
Average number of registered subscribers, '000	181	18	113
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>9.6</b>	<b>2.2</b>	<b>8.5</b>
Average number of active subscribers, '000	172	10	111
<b>ARPU (US\$)</b>	<b>10.1</b>	<b>4.0</b>	<b>8.7</b>

## ARMENIA

## Reconciliation of OIBDA in Armenia

*(In thousands of US dollars)*

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>OIBDA</b>	<b>30,069</b>	<b>NA</b>	<b>27,309</b>
Depreciation	(18,729)	NA	(13,941)
Amortization	(5,875)	NA	(5,865)
<b>Operating income</b>	<b>5,465</b>	<b>NA</b>	<b>7,503</b>

## Reconciliation of OIBDA Margin in Armenia

	Three months ended		
	June 30, 2007	June 30, 2006	March 31, 2007
<b>OIBDA margin</b>	<b>51.6%</b>	<b>NA</b>	<b>50.4%</b>
Less: Depreciation as a percentage of net operating revenue	(32.1)%	NA	(25.7)%
Less: Amortization as a percentage of net operating revenue	(10.1)%	NA	(10.8)%

<b>Operating income as a percentage of net operating revenue</b>	<b>9.4%</b>	<b>NA</b>	<b>13.9%</b>
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**Reconciliation of mobile ARPU in Armenia***(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Three months ended		
	June 30,	June 30,	March 31,
	2007	2006	2007
<b>Service revenue and connection fees</b>	<b>23,208</b>	<b>NA</b>	<b>19,912</b>
Less: Connection fees	19	NA	129
Less: Revenue from rent of fiber-optic channels	0	NA	0
Service revenue used to calculate ARPU	23,189	NA	19,783
Average number of registered subscribers, 000	486	NA	468
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>15.9</b>	<b>NA</b>	<b>14.1</b>
Average number of active subscribers, 000	446	NA	456
<b>ARPU (US\$)</b>	<b>17.3</b>	<b>NA</b>	<b>14.5</b>

**Reconciliation of fixed ARPU in Armenia***(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Three months ended		
	June 30,	June 30,	March 31,
	2007	2006	2007
<b>Service revenue and connection fees</b>	<b>35,214</b>	<b>NA</b>	<b>34,242</b>
Less: Connection fees	55	NA	0
Service revenue used to calculate ARPU	35,159	NA	34,242
Average number of subscribers, 000	608	NA	607
<b>Average revenue per subscriber per month (US\$)</b>	<b>19.3</b>	<b>NA</b>	<b>18.8</b>

## Attachment D. Additional reference data

## Operating and Financial Indicators

			Three months Change,		Change,
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
<b>CONSOLIDATED</b>					
Registered mobile subscribers	59,049,700	50,822,100	16.2%	56,805,600	4.0%
Registered fixed subscribers	610,300	NA		607,400	0.5%
			Three months Change,		Change,
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
<b>RUSSIA</b>					
Registered subscribers	49,594,300	46,905,600	5.7%	48,345,300	2.6%
ARPU <sub>REG</sub> , (US\$)	9.9	7.4	33.8%	8.9	11.2%
MOU <sub>REG</sub> , (min)	154.6	115.9	33.4%	130.9	18.1%
			Three months Change,		Change,
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
<b>KAZAKHSTAN</b>					
Registered subscribers	4,837,200	2,880,900	67.9%	4,345,600	11.3%
ARPU <sub>REG</sub> , (US\$)	10.8	10.0	8.0%	9.7	11.3%
MOUREG, (min)	70.6	52.4	34.7%	57.9	21.9%
			Three months Change,		Change,
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
<b>UKRAINE</b>					
Registered subscribers	2,661,400	569,400	367.4%	2,331,300	14.2%
ARPU <sub>REG</sub> , (US\$)	3.2	4.7	-31.9%	2.5	28.0%
MOU <sub>REG</sub> , (min)	119.4	137.2	-13.0%	114.7	4.1%
			Three months Change,		Change,
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
<b>UZBEKISTAN</b>					
Registered subscribers	1,224,800	451,600	171.2%	1,147,200	6.8%
ARPU <sub>REG</sub> , (US\$)	7.0	11.3	-38.1%	6.4	9.4%
MOU <sub>REG</sub> , (min)	256.5	311.5	-17.7%	229.9	11.6%
			Three months Change,		Change,
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
<b>TAJIKISTAN</b>					
Registered subscribers	218,000	14,600	1393.2%	149,900	45.4%
ARPU <sub>REG</sub> , (US\$)	9.6	2.2	336.4%	8.5	12.9%
MOU <sub>REG</sub> , (min)	213.7	26.1	718.8%	201.2	6.2%

ARMENIA	2Q2007	2Q2006	Three months		Change, 2Q07/1Q07
			Change, 2Q07/2Q06	1Q2007	
Registered mobile subscribers	497,600	NA	NA	478,000	4.1%
ARPU <sub>REG</sub> , (US\$)	15.9	NA	NA	14.1	12.8%
MOU <sub>REG</sub> , (min)	169.9	NA	NA	137.6	23.5%











VimpelCom  
Presentation of 2Q 2007  
Financial  
and  
Operating Results  
August 30, 2007

2

Disclaimer

This presentation contains "forward-looking statements", as the phrase is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements relate, in part, to the Company's strategy and development plans in Russia and the CIS, development of the Company's 3G

network

in  
Russia  
and  
the  
outcome  
of  
2G  
license  
tenders  
in  
the  
Far  
East  
Region  
of  
Russia.

The  
forward-

looking statements are based on management's best assessment of the Company's strategic and financial position, and future market conditions and trends. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of risks and uncertainties relating to developments from competition, governmental regulations of the wireless telecommunications industry, general political uncertainties in Russia and the CIS, general economic developments in Russia and the CIS, challenges to 3G and Far East tenders, and/or litigation with third parties or our shareholders (including Telenor).

The  
actual  
outcome  
may  
also  
differ  
materially  
if  
the  
Company  
is  
unable  
to  
obtain  
all  
necessary  
corporate  
approvals  
relating  
to  
its  
business  
(including  
approval  
of

funding,  
specific  
transactions  
and  
payment  
of dividends),  
and  
other  
factors.

There  
can  
be  
no  
assurance  
that  
these  
risks  
and  
uncertainties  
will  
not  
have  
a  
material  
adverse  
effect  
on  
the  
Company,  
that  
the  
Company  
will  
be  
able  
to  
grow  
or  
that  
it  
will  
be  
successful  
in

executing its strategy and development plans. Certain factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risks described in the Company's Annual Report on Form 20-F for the year ended December 31, 2006 and other public filings made by the Company with the United States Securities and Exchange Commission, which risk factors are incorporated herein by reference. The Company disclaims any obligation to update developments of these risk factors 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.

3

Agenda

Kent McNeley, CMO

Nikolay

Pryanishnikov,

Executive VP, General Director, Russia

will be joined by:

Q&A Session

Alexander Izosimov, CEO

Operational Overview

Elena Shmatova, CFO

Financial Overview

Alexander Izosimov, CEO

Welcome Remarks

4

Quarterly Financial Dynamics

Net Revenues, \$ mln

Net Income, \$ mln

OIBDA, \$ mln

OIBDA Margin

+53.1%

936  
1,122  
1,359  
1,451  
1,488  
1,717  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
+84.3%  
359  
277  
198  
268  
195  
150  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
+59.7%  
897  
766  
690  
718  
562  
483  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
51.6%  
50.1%  
52.8%  
47.5%  
51.5%  
52.2%  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07

5  
Continuing Increase of Operating Cash Flow  
804  
2,531  
1,971  
1,293  
-1,512

-1,553

-1,635

-1,242

-438

-342

978

459

2004

2005

2006

2Q 07LTM

Operating Cash Flow, \$ mln

CAPEX, \$ mln

Free cash-flow before acquisitions

6

Strong Balance Sheet

\* In cases when OIBDA is part of financial ratios it is deemed to be calculated in accordance with the reconciliation tables herein

(\$ mln)

Jun 30,'07

Dec 31,'06



Dec 31,'05  
 Cash and Cash Equivalents  
 951  
 344  
 364  
 Total Assets  
 9,211  
 8,437  
 6,307  
 Total Debt  
 2,598  
 2,489  
 1,998  
 -Short-term  
 427  
 424  
 421  
 -Long-term  
 2,171  
 2,065  
 1,577  
 Shareholders' Equity  
 4,312  
 3,943  
 2,741  
 LTM OIBDA\*  
 3,071  
 2,452  
 1,571  
 -  
 LTM Depreciation and  
 amortization  
 1,266  
 1,055  
 593  
 -  
 LTM Operating Income  
 1,805  
 1,397  
 978  
 LTM Interest  
 189  
 186  
 147  
 Debt/Assets  
 0.3  
 0.3  
 0.3  
 Net Debt  
 1,647

2,145

1,634

13.2

16.2

10.7

0.6

0.6

0.7

1.0

1.3

0.8

0.0

6.0

12.0

18.0

Dec 31, '05

Dec 31, '06

Jun 30, '07

-0.4

-0.2

0.0

0.2

0.4

0.6

0.8

1.0

1.2

1.4

OIBDA LTM/Interest LTM

Debt/Equity

Debt/OIBDA LTM

7

Operating Highlights: Russia

MOU, min

ARPU, US\$

Active Subscriber Base, mln

Subscriber Market Share

\*

\*

)

Source: AC&M Consulting

37.4

38.2

38.8

38.6

40.1

39.8

1Q 06

2Q 06

3Q 06

4Q 06

1Q 07

2Q 07

7.8

9.0

10.6

10.9

10.9

12.3

1Q 06

2Q 06

3Q 06

4Q 06

1Q 07

2Q 07

132

141

152

158

161

193

1Q 06

2Q 06

3Q 06

4Q 06

1Q 07

2Q 07

31%

31%

32%

32%

33%

34%

35%

34%

34%

34%

33%

33%  
20%  
20%  
19%  
19%  
19%  
18%  
16%  
16%  
15%  
14%  
13%  
15%  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
VimpelCom  
MTS  
MegaFon  
Others

8  
Financial Highlights: Russia  
Net Revenues, \$ mln  
OIBDA, \$ mln  
CAPEX, \$ mln  
CAPEX / Revenue, LTM  
+43.0%

1,459  
1,278  
1,281  
1,228  
1,021  
871  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
+47.2%  
780  
677  
645  
666  
530  
462  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
189  
200  
380  
226  
297  
146  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
19.0%  
22.9%  
23.9%  
32.5%  
36.1%  
41.6%  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07

9  
Status of 3G Development in Russia  
License awarded  
Commercial operations  
Q2  
Equipment certification  
Equipment tender



initiated

2007

2007

2008

2008

Q3

Q4

Q1

Q2

Q3

Q4

Tender

completed

Network construction

begins

Trial operations

Q1

10  
2G Licensing Developments in Russian Far East  
Tenders were recently conducted for licenses in  
several of the Far East regions  
VimpelCom  
challenged the results and the terms of  
all of the tenders as unfair and discriminatory. The

Russian Federal Anti-monopoly Service (FAS) supported our position and asked the courts to annul the results of the tenders

A newly created regulator suspended further tenders for the Far East licenses while reviewing their terms and conditions. New tenders are expected to take place in mid-October

11  
Sources of Year-on-Year Growth  
Net Revenue Growth, \$ mln  
OIBDA Growth, \$ mln  
Subscriber  
Growth, 000  
1,717

1,122  
1,459  
101  
157  
258  
1,021  
438  
2Q 06  
Russia  
CIS  
2Q 07  
897  
562  
530  
32  
85  
117  
250  
780  
2Q 06  
Russia  
CIS  
2Q 07  
47,701  
41,283  
38,162  
3,121  
7,561  
1,978  
40,140  
4,440  
2Q 06  
Russia  
CIS  
2Q 07  
Russia  
CIS

12  
Operating Highlights: Kazakhstan  
ARPU,  
US\$  
MOU,  
min  
Active Subscriber Base, mln

Subscriber Market Share

\*

2.6  
3.1  
3.5  
2.1  
2.2  
3.9  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
8.8  
12.6  
14.4  
13.8  
12.2  
13.6  
1Q06  
2Q06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
45  
66  
88  
78  
89  
72  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07

\*

)

Source: AC&M Consulting

41%  
44%  
47%  
55%  
51%  
48%  
4%  
5%  
5%

5%  
50%  
49%  
49%  
45%  
46%  
46%  
5%  
5%  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
VIP  
K'Cell  
Others



13  
Financial Highlights: Kazakhstan  
Net Revenues, \$ mln  
OIBDA, \$ mln  
CAPEX, \$  
mln  
CAPEX / Revenue, LTM

+85.5%  
149  
119  
112  
104  
80  
54  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
+136.9%  
22  
34  
49  
36  
62  
80  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
46  
31  
49  
55  
37  
36  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
80.9%  
69.3%  
64.2%  
50.2%  
41.2%  
37.3%  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07

14  
Operating and Financial Highlights: Ukraine  
Active Subscriber Base, mln  
ARPU  
(US\$) and MOU (min)  
46  
29

56  
78  
55  
13  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
CAPEX, \$  
mln  
Net Revenues, \$ mln  
+291.4%  
22.7  
15.7  
14.3  
11.5  
5.8  
2.1  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
0.1  
0.5  
0.8  
1.5  
1.8  
2.0  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
4.2  
3.4  
5.9  
6.7  
4.2  
3.0  
160  
138  
149  
168  
172  
61

0  
2  
4  
6  
8  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
0  
50  
100  
150  
200  
ARPU active base  
MOU active base

15

Operating and Financial Highlights:

Uzbekistan

Active Subscriber Base, mln

Net Revenues, \$ mln

ARPU (US\$)

and MOU (min)

CAPEX,  
\$ mln  
19  
8  
20  
15  
10  
0  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
+54.0%  
23.1  
18.0  
15.8  
15.7  
15.0  
8.9  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
0.4  
0.4  
0.5  
0.7  
1.2  
1.1  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
6.7  
9.8  
11.8  
12.7  
16.6  
7.2  
454  
349  
305  
269  
242

266

4

8

12

16

20

1Q 06

2Q 06

3Q 06

4Q 06

1Q 07

2Q 07

100

200

300

400

500

ARPU active base

MOU active base



16

Operating and Financial Highlights: Armenia

\* The 4Q 2006

data

represent the results of operations for 1.5  
months since the date of acquisition by VimpelCom

Net Revenues, \$ mln

ARPU,  
US\$  
CAPEX,  
\$ mln  
19.8  
16.9  
34.2  
35.2  
10.5  
23.1  
4Q 06\*  
1Q 07  
2Q 07  
Fixed revenue  
Mobile revenue  
17.0  
14.5  
17.3  
19.3  
18.8  
18.5  
4Q 06\*  
1Q 07  
2Q 07  
Mobile ARPU active base  
Fixed ARPU  
20  
5  
9  
4Q 06\*  
1Q 07  
2Q 07  
Active Subscriber Base, mln  
0.6  
0.6  
0.4  
0.4  
0.6  
0.5  
4Q 06\*  
1Q 07  
2Q 07  
Fixed subscribers  
Mobile active subscribers

17

Operating and Financial Highlights:

Georgia and Tajikistan

Georgia

Operations launched at the end of Q1 and are still in a start-up phase

Focus on roll-out and distribution network development  
Tajikistan

Sequential rapid growth continues:  
81% revenue growth  
41% increase in active subscribers

OIBDA turned positive in Q2

Market share increased from 11.2% to 15.2%

18

Summary

Strong quarter-on-quarter and year-on-year growth  
of financial and operating results in all markets

Overall business in Russia is continuing to grow

and gain efficiency

CIS becoming an increasingly important source of new subscribers, demonstrating impressive revenue growth and improvements in OIBDA margins

19

Questions and Answers

If you would like to ask a question, please press the star key followed by the digit one on your touch-tone telephone.

Due

to

time

constraints,  
we  
ask  
that  
you  
limit  
yourselves  
to  
one  
question

and one follow-up question.

If you are using a speakerphone, please make sure your mute button is turned off to allow your signal to reach the equipment.

-----

Thank you for your interest in VimpelCom

For more information please visit [www.vimpelcom.com](http://www.vimpelcom.com) or contact

[Investor\\_Relations@vimpelcom.com](mailto:Investor_Relations@vimpelcom.com)











APPENDICES

21  
Moldova  
Population: 3.9 mln.  
Penetration 38%  
GDP\* 2,000  
Moldova  
Population: 3.9 mln.

Penetration 38%

GDP\* 2,000

Armenia

Population: 3.2 mln.

Acquired: Nov. 2006

Penetration 46%

GDP\* 5,700

Armenia

Population: 3.2 mln.

Acquired: Nov. 2006

Penetration 46%

GDP\* 5,700

Russia and CIS License Footprint

2G & 3G licenses

2G & 3G licenses

No VIP license

No VIP license

Ukraine

Population: 46.5 mln.

Acquired: Nov. 2005

Penetration 110%

GDP\* 7,800

Ukraine

Population: 46.5 mln.

Acquired: Nov. 2005

Penetration 110%

GDP\* 7,800

Georgia

Population: 4.5 mln.

Acquired: Jul. 2006

Penetration 47%

GDP\* 3,800

Georgia

Population: 4.5 mln.

Acquired: Jul. 2006

Penetration 47%

GDP\* 3,800

Azerbaijan

Population: 8.5 mln.

Penetration 44%

GDP\* 7,500

Azerbaijan

Population: 8.5 mln.

Penetration 44%

GDP\* 7,500

Turkmenistan

Population: 6.7 mln.

Penetration 5%

GDP\* 8,500

Turkmenistan

Population: 6.7 mln.

Penetration 5%

GDP\* 8,500

Uzbekistan

Population: 26.7 mln.

Acquired: Jan. 2006

Penetration 14%

GDP\* 2,000

Uzbekistan

Population: 26.7 mln.

Acquired: Jan. 2006

Penetration 14%

GDP\* 2,000

Tajikistan

Population: 7.1 mln.

Acquired: Dec. 2005

Penetration 20%

GDP\* 1,300

Tajikistan

Population: 7.1 mln.

Acquired: Dec. 2005

Penetration 20%

GDP\* 1,300

Kyrgyzstan

Population: 5.2 mln.

Penetration 27%

GDP\* 2,100

Kyrgyzstan

Population: 5.2 mln.

Penetration 27%

GDP\* 2,100

Kazakhstan

Population: 15.4 mln.

Acquired: Sept. 2004

Penetration 64%

GDP\* 9,400

Kazakhstan

Population: 15.4 mln.

Acquired: Sept. 2004

Penetration 64%

GDP\* 9,400

\*GDP (PPP), \$ per capita

Sources: GDP data by CIA World Factbook

Population data by CIS Statistics Committee

Number of mobile subscribers by AC&M-Consulting

Belarus

Population: 9.7 mln.

Penetration 66%

GDP\* 7,800

Belarus



Population: 9.7 mln.

Penetration 66%

GDP\* 7,800

Russia

Population: 142.2 mln.

Penetration 113%

GDP\* 12,100

Russia

Population: 142.2 mln.

Penetration 113%

GDP\* 12,100

Russia

Russia

2G license only

2G license only

3G license only

3G license only









Reconciliation Tables of non-U.S. GAAP Measures to  
Their  
Most Directly Comparable U.S. GAAP Financial  
Measures

23  
Reconciliation of OIBDA and OIBDA Margin  
(Unaudited)  
(\$'000)  
June 30,  
2007  
March 31,

2007	
Dec 31,	
2006	
Sept 30,	
2006	
June 30,	
2006	
March 31,	
2006	
OIBDA	
896,758	
766,417	
689,825	
717,796	
561,555	
482,607	
Depreciation	
(285,365)	
(269,172)	
(265,086)	
(243,593)	
(194,845)	
(171,094)	
Amortization	
(53,807)	
(53,289)	
(50,095)	
(45,648)	
(43,148)	
(40,955)	
Operating Income	
557,586	
443,956	
374,644	
428,555	
323,562	
270,558	
OIBDA margin	
52.2%	
51.5%	
47.5%	
52.8%	
50.1%	
51.6%	
Less: Depreciation as % of net	
operating revenues	
(16.6%)	
(18.1%)	
(18.3%)	
(17.9%)	



(17.4%)

(18.3%)

Less: Amortization as % of net  
operating revenues

(3.1%)

(3.6%)

(3.4%)

(3.4%)

(3.9%)

(4.4%)

Operating Income

32.5%

29.8%

25.8%

31.5%

28.8%

28.9%

Reconciliation of OIBDA margin to operating income as percentage  
of

net operating revenue

Reconciliation of OIBDA to operating income

Three months ended

24  
Reconciliation of OIBDA and ARPU  
in Russia (Unaudited)  
(\$'000)  
June 30,  
2007  
March 31,

2007  
Dec 31,  
2006  
Sept 30,  
2006  
June 30,  
2006  
March 31,  
2006  
OIBDA  
779,828  
676,476  
645,144  
666,354  
529,704  
462,337  
Depreciation  
(240,387)  
(232,681)  
(229,544)  
(221,973)  
(182,684)  
(161,936)  
Amortization  
(28,478)  
(28,536)  
(27,091)  
(26,429)  
(25,657)  
(24,977)  
Operating Income  
510,963  
415,259  
388,509  
417,952  
321,363  
275,424  
Service revenue and  
connection fees  
1,457,896  
1,276,754  
1,276,276  
1,223,681  
1,014,810  
864,767  
Less: Connection fees  
164  
169  
308  
410

622  
404  
Less: Revenue from rent of  
fiber-optic channels  
983  
964  
433  
760  
325  
328  
Service revenue used to  
calculate ARPU  
1,456,749  
1,275,621  
1,275,535  
1,222,511  
1,013,863  
864,035  
Average number of active  
subscribers ('000)  
39,359  
39,021  
39,102  
38,365  
37,733  
36,784  
ARPU (US\$)  
12.3  
10.9  
10.9  
10.6  
9.0  
7.8  
Reconciliation of OIBDA to operating income  
Reconciliation of ARPU to service revenue and connection fees  
Three months ended

25  
Reconciliation of OIBDA and ARPU  
in Kazakhstan (Unaudited)  
(\$'000)  
June 30,  
2007  
March 31,

2007	
Dec 31,	
2006	
Sept 30,	
2006	
June 30,	
2006	
March 31,	
2006	
OIBDA	
80,317	
62,007	
35,744	
49,023	
33,908	
21,907	
Depreciation	
(17,537)	
(15,817)	
(21,142)	
(17,981)	
(9,363)	
(7,672)	
Amortization	
(9,419)	
(9,154)	
(9,134)	
(9,550)	
(9,324)	
(8,785)	
Operating Income	
53,361	
37,036	
5,468	
21,492	
15,221	
5,450	
Service revenue and connection fees	
149,326	
119,399	
112,963	
104,208	
80,301	
54,382	
Less: Connection fees	
0	
0	
0	
0	

0

0

Less: Revenue from rent of  
fiber-optic channels

0

0

0

0

0

0

Service revenue used to  
calculate ARPU

149,326

119,399

112,963

104,208

80,301

54,382

Average number of active  
subscribers ('000)

3,655

3,271

2,728

2,412

2,120

2,070

ARPU (US\$)

13.6

12.2

13.8

14.4

12.6

8.8

Reconciliation of OIBDA to operating income

Reconciliation of ARPU to service revenue and connection fees

Three months ended

26  
Reconciliation of ARPU in Ukraine and  
Uzbekistan (Unaudited)  
(\$'000)  
June 30,  
2007  
March 31,



2007	
Dec 31,	
2006	
Sept 30,	
2006	
June 30,	
2006	
March 31,	
2006	
UKRAINE	
Service revenue and	
connection fees	
23,436	
16,158	
14,652	
12,320	
5,948	
2,103	
Less: Connection fees	
36	
5	
5	
3	
0	
0	
Less: Revenue from rent of fiber-	
optic channels	
0	
0	
0	
0	
0	
0	
Service revenue used to	
calculate ARPU	
23,400	
16,153	
14,647	
12,317	
5,948	
2,103	
Average number of active subscribers	
('000)	
1,847	
1,781	
1,170	
611	
338	
208	
ARPU (US\$)	

4.2  
 3.0  
 4.2  
 6.7  
 5.9  
 3.4  
**UZBEKISTAN**  
 Service revenue and  
 connection fees  
 24,009  
 18,778  
 16,446  
 16,279  
 15,507  
 9,207  
 Less: Connection fees  
 0  
 0  
 0  
 0  
 0  
 0  
 0  
 Less: Revenue from rent of fiber-  
 optic channels  
 0  
 0  
 0  
 0  
 0  
 0  
 Service revenue used to  
 calculate ARPU  
 24,009  
 18,778  
 16,446  
 16,279  
 15,507  
 9,207  
 Average number of active subscribers  
 ('000)  
 1,109  
 930  
 558  
 458  
 406  
 185  
 ARPU (US\$)  
 7.2  
 6.7  
 9.8

11.8  
12.7  
16.6  
Reconciliation  
of  
ARPU  
to  
service  
revenue  
and  
connection  
fees  
Three  
months  
ended

27  
Reconciliation of ARPU in Armenia  
(Unaudited)  
(\$'000)  
June 30,  
2007  
March 31,

2007	
Dec 31,	
2006	
June 30,	
2007	
March 31,	
2007	
Dec 31,	
2006	
Service revenue and	
connection fees	
23,208	
19,912	
10,451	
35,214	
34,242	
16,922	
Less: Connection fees	
19	
129	
0	
55	
0	
0	
Less: Revenue from rent of fiber-	
optic channels	
0	
0	
0	
-	
-	
-	
Service revenue used to	
calculate ARPU	
23,189	
19,783	
10,451	
35,159	
34,242	
16,922	
Average number of active	
subscribers ('000)	
446	
456	
409	
608	
607	
609	
ARPU (US\$)	
17.3	

14.5

17.0

19.3

18.8

18.5

Three Months Ended

Reconciliation of ARPU to service revenue and connection fees

MOBILE

FIXED

28  
Definitions  
Registered  
subscriber  
is  
an  
authorized

user  
of  
cellular  
services,  
using  
one  
SIM  
card  
(GSM/3G)  
with  
one  
or  
several  
selective numbers or one handset (DAMPS/CDMA) with one selective  
number. The number of subscribers includes  
employees using cellular services and excludes guest roamers and  
users of test SIM cards or handsets.

Active  
subscribers  
are  
those  
subscribers  
in  
the  
registered  
subscriber  
base  
who  
were  
a  
party  
to  
a  
revenue  
generating

activity in the past three months and remain in the base at the end of the reported period. Such activities include all  
incoming and outgoing calls, subscriber fee accruals, debits related to service, outgoing SMS, MMS, data transmission  
and receipt sessions, but do not include incoming SMS and MMS sent by our Company or abandoned calls.

ARPU

(Monthly Average Revenue per User), a non-U.S. GAAP financial measure, is calculated by dividing the  
Company's service revenue during the relevant period, including roaming revenue and interconnect revenue, but  
excluding revenue from connection fees, sales of handsets and accessories and other non-service revenue, by the average  
number of the Company's active subscribers during the period and dividing by the number of months in that period.  
Reconciliation of ARPU to service revenues and connection fees, the most directly comparable U.S. GAAP financial  
measure, is presented above in the tables section. The Company believes that ARPU provides useful information to  
investors because it is an indicator of the performance of the Company's business operations and assists management in  
budgeting. The Company also believes that ARPU provides management with useful information concerning usage and  
acceptance of the Company's services. ARPU should not be viewed in isolation or an alternative to other figures  
reported under U.S. GAAP.

MOU



(Monthly Average Minutes of Use per User) is 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 active subscribers during the period and dividing by the number of months in that period.

Market share

of subscribers for each country is calculated by dividing the estimated number of the subscribers of a particular company by the total estimated number of subscribers in that country. Market share data is published by consulting agencies specializing in the telecommunications industry in Russia and the CIS and generally based on registered subscribers.

Net debt

is calculated as a total interest-bearing debt minus cash and cash equivalents

Free

cash

flow

is

calculated

as

operating

cash

flow

minus

capital

expenditures

before

acquisitions