

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS

Form 6-K

March 12, 2008

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

**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Issuer**

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

**For the month of March 2008**

**Commission File Number 1-14522**

**Open Joint Stock Company Vimpel-Communications**

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

**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.

Yes  No

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

**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)

Date: March 12, 2008

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

**FOR IMMEDIATE RELEASE**

**VIMPELCOM ANNOUNCES FOURTH QUARTER AND AUDITED TWELVE MONTH 2007**

**FINANCIAL AND OPERATING RESULTS**

**Moscow and New York (March 12, 2008) - Open Joint Stock Company Vimpel-Communications ( VimpelCom or the Company ) (NYSE: VIP)**, a leading provider of telecommunications services in Russia and the Commonwealth of Independent States (CIS) today announced its financial and operating results for the quarter and year ended December 31, 2007.

**Financial and Operating Highlights**

**2007**

Net operating revenues reached \$7,171.1 million, an increase of 47.3% versus 2006.

OIBDA reached \$3,596.7 million, an increase of 46.7% versus 2006.

OIBDA margin was 50.2%, including 50.9% in Russia and 52.8% in Kazakhstan.

Net income totaled \$1,462.7 million, an increase of 80.2% versus 2006.

Free cash flow before acquisitions almost tripled, reaching US\$1,264.7 million.

Russian ARPU showed strong growth through the year, reaching \$13.5 by the fourth quarter, an increase of 23.9% compared to the fourth quarter of 2006.

Active subscriber base increased by 6.2 million, reaching 51.7 million consumers.

3G licenses for Russia, Uzbekistan and Armenia were received.

Acquisition of Golden Telecom was launched in 2007 and completed in February 2008.

**The Fourth Quarter of 2007**

Net operating revenues reached a record high of \$2,009.9 million in the fourth quarter, a year-on-year increase of 38.5% and a quarter-on-quarter increase of 2.8%.

OIBDA reached \$918.4 million, a year-on-year increase of 33.1%, yielding an OIBDA margin of 45.7%. Importantly, rapid appreciation of VimpelCom's share price in the fourth quarter of 2007 resulted in an accrual of \$118.7 million, connected to our stock price based compensation plans. These accruals are \$78.2 million higher than in the third quarter of 2007 and \$94.5 million higher

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than in the fourth quarter of the previous year. Without this effect our OIBDA margin would have been above 50%.

Net income totaled \$368.1 million, a year-on-year increase of 86.0%.

Commenting on today's announcement, Alexander Izosimov, Chief Executive Officer of VimpelCom, said: "2007 was another excellent year for VimpelCom. Our revenues exceeded \$7 billion and grew at a remarkable rate of 47%. We maintained our OIBDA margin at an impressive level of 50%. Strong revenue growth, coupled with a healthy margin and a balanced investment policy, resulted in free cash flow of \$1.26 billion, almost tripling the 2006 level."

- more -

**VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results**

Page 2 of 10

Our strong financial position supports our aspiration to expand into adjacent businesses and new geographic areas .

**Changes in definitions and reported data**

Our 2007 subscriber data, ARPU and MOU are reported on the basis of active subscribers. For convenience, we continued 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). The only exception was churn numbers, calculated traditionally on the basis of registered subscribers.

We intend to discontinue providing the number of registered subscribers and the related figures beginning with the Company's earnings press release for the first quarter 2008, because we believe that registered subscriber figures have become irrelevant for operational purposes. We will also align our reported churn policy to our active subscriber base.

All the definitions in Attachment A 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**

	Three months				Year			
	4Q2007	4Q2006	Change,	3Q2007	Change,	2007	2006	Change,
			4Q07/ 4Q06		4Q07/ 3Q07			2007/ 2006
Active subscribers	51,739,947	45,547,700	13.6%	50,685,787	2.1%	51,739,947	45,547,700	13.6%
Fixed line subscribers	629,273	608,500	3.4%	616,175	2.1%	629,273	608,500	3.4%
Net operating revenues (US\$, 000)	2,009,946	1,451,412	38.5%	1,955,938	2.8%	7,171,098	4,867,978	47.3%
OIBDA (US\$, 000)	918,410	689,825	33.1%	1,015,158	-9.5%	3,596,743	2,451,783	46.7%
OIBDA margin	45.7%	47.5%		51.9%		50.2%	50.4%	
Gross margin (US\$, 000)	1,642,701	1,179,453	39.3%	1,589,625	3.3%	5,855,984	3,977,246	47.2%
Gross margin percentage	81.7%	81.3%		81.3%		81.7%	81.7%	
SG&A (US\$, 000)	715,892	478,423	49.6%	556,518	28.6%	2,206,322	1,503,615	46.7%
SG&A percentage	35.6%	33.0%		28.5%		30.8%	30.9%	
Net income (US\$, 000)	368,108	197,950	86.0%	458,050	-19.6%	1,462,706	811,489	80.2%
Net income per share (US\$)	7.25	3.89		9.02		28.78	15.94	
Net income per ADS* (US\$)	0.36	0.19		0.45		1.44	0.80	

\*) Number of ADSs is based on the ratio of 20 ADSs per one ordinary share, which came into effect on August 21, 2007. Prior year amounts have been restated to reflect the split.

- more -

*VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results*

*Page 3 of 10*

In 2007, VimpelCom capital expenditures totaled \$1,772.8 million (before acquisitions), including \$795.8 million in the fourth quarter.

Consolidated figures represent the combined effect of the Company's operations in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia and Armenia. The Company's consolidated operating and financial results reported in this press release do not include the operating and earnings results of Golden Telecom, Inc., the acquisition of which was completed in February 2008. The Company plans to include Golden Telecom's operating and earnings results with the Company's consolidated operating and earnings results beginning in the first quarter of 2008.

- more -

## VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results

Page 4 of 10

RUSSIA	Three months				Year		Change, 2007/ 2006	
	4Q2007	4Q2006	Change, 4Q07/ 4Q06	3Q2007	Change, 4Q07/ 3Q07	2007		2006
Net operating revenues <sup>*)</sup> (US\$, 000)	1,700,589	1,280,762	32.8%	1,652,266	2.9%	6,090,315	4,400,299	38.4%
including interconnect revenue	252,839	167,808	50.7%	224,402	12.7%	851,323	411,916	106.7%
OIBDA (US\$, 000)	773,338	645,144	19.9%	871,163	-11.2%	3,100,804	2,303,539	34.6%
OIBDA margin	45.4%	50.3%		52.7%		50.9%	52.3%	
Gross margin (US\$, 000)	1,410,421	1,061,055	32.9%	1,363,407	3.4%	5,047,001	3,652,249	38.2%
Gross margin percentage	82.9%	82.8%		82.5%		82.8%	83.0%	
SG&A (US\$, 000)	632,640	406,642	55.6%	477,277	32.6%	1,903,411	1,330,806	43.0%
SG&A percentage	37.2%	31.7%		28.9%		31.2%	30.2%	
Net income (US\$, 000)	363,624	222,220	63.6%	422,580	-14.0%	1,422,223	854,818	66.4%
ARPU, (US\$)	13.5	10.9	23.9%	13.4	0.7%	12.6	9.6	31.3%
MOU, (min)	204.1	157.9	29.3%	208.9	-2.3%	192.1	145.9	31.7%
SAC (US\$)	31.8	21.8	45.9%	24.8	28.2%	25.5	17.9	42.5%
Active subscribers	42,221,252	39,782,700	6.1%	41,801,545	1.0%	42,221,252	39,782,700	6.1%
Churn	7.1%	9.5%		10.1%		32.9%	35.4%	
Subscriber market share <sup>**)</sup>	29.9%	31.7%		30.4%		29.9%	31.7%	

<sup>\*)</sup> Net operating revenues here exclude inter-company transactions (US\$983 thousand in 4Q 2007, US\$578 thousand in 4Q 2006, US\$696 thousand in 3Q 2007, US\$3,354 thousand in 2007, US\$1,509 thousand in 2006).

<sup>\*\*)</sup> 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.

Our Russian business continues to deliver robust growth, strong margins and expanding cash flow.

In 2007, revenue in Russia grew by 38.4% year-on-year, driven predominantly by ARPU growth and supported by a continued increase in our active subscriber base.

Our annual OIBDA margin in Russia was at a strong level of above 50%. While OIBDA margin in the fourth quarter is seasonally softer than in the third quarter, the sharper than usual erosion this year was due to particularly large accruals connected to our stock price based compensation plans. Rapid appreciation of VimpelCom's share price in the fourth quarter of 2007 resulted in an accrual of \$118.7 million, which is \$78.2 million higher than in the third quarter of 2007 and \$94.5 million higher than in the fourth quarter of the previous year. These accruals for the VimpelCom group are fully reflected within the Russian numbers.

Excluding this impact, our 2007 OIBDA margin would have been slightly above the 2006 margin, both for the fourth quarter and the full year, confirming the financial health of our business.

In 2007, our annual capital expenditure (before acquisitions) in Russia was approximately \$1.1 billion, bringing its percentage to revenue to our long-term target of below 20%.

- more -



## VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results

Page 5 of 10

KAZAKHSTAN	Three months				Year			
	4Q2007	4Q2006	Change, 4Q07/ 4Q06	3Q2007	Change, 4Q07/ 3Q07	2007	2006	Change, 2007/ 2006
Net operating revenues <sup>*)</sup> (US\$, 000)	173,902	112,378	54.7%	166,262	4.6%	607,642	350,043	73.6%
including interconnect revenue	33,027	26,278	25.7%	28,494	15.9%	108,522	81,325	33.4%
OIBDA (US\$, 000)	92,171	35,744	157.9%	88,127	4.6%	322,623	140,580	129.5%
OIBDA margin	52.8%	31.6%		52.7%		52.8%	40.0%	
Gross margin (US\$, 000)	128,390	77,269	66.2%	122,084	5.2%	450,624	240,002	87.8%
Gross margin percentage	73.5%	68.4%		73.1%		73.8%	68.2%	
SG&A (US\$, 000)	33,787	40,200	-16.0%	32,650	3.5%	123,584	96,451	28.1%
SG&A percentage	19.3%	35.6%		19.5%		20.2%	27.4%	
Net income <sup>**)</sup> (US\$, 000)	19,793	-4,443		21,653	-8.6%	70,963	9,902	616.7%
ARPU, (US\$)	13.0	13.8	-5.8%	13.6	-4.4%	13.1	12.6	4.0%
MOU, (min)	98.9	78.0	26.8%	112.7	-12.2%	94.6	70.4	34.4%
SAC (US\$)	16.3	8.8	85.2%	10.0	63.0%	11.5	8.2	40.2%
Active subscribers	4,603,300	3,052,900	50.8%	4,343,073	6.0%	4,603,300	3,052,900	50.8%
Churn	5.8%	6.1%		5.9%		23.5%	32.8%	
Subscriber market share	46.3%	49.5%		47.3%		46.3%	49.5%	

<sup>\*)</sup> Net operating revenues exclude inter-company transactions (US\$737 thousand in 4Q 2007, US\$584 thousand in 4Q 2006, US\$860 thousand in 3Q 2007, US\$2,844 thousand in 2007, US\$1,811 thousand in 2006).

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

2007 was a very successful year for our business in Kazakhstan. We delivered strong year-on-year revenue growth of 73.6% with impressive OIBDA margin expansion from 40.0% to 52.8%.

The growth was driven by strong additions of 1.6 million active subscribers, representing a 50.8% year-on-year increase, accompanied by stable ARPU.

At year end, the market penetration reached 82.5%, and the level of activity in the fourth quarter confirmed that the competition is getting more intense. Consequently, while we continue to build our active subscriber base, we are starting to refocus our efforts toward increasing revenue market share a strategy which we successfully implemented in Russia.

- more -

**VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results**

Page 6 of 10

UKRAINE	4Q2007	4Q2006	Three months		Change, 4Q07/ 3Q07	2007	Year	
			Change, 4Q07/ 4Q06	3Q2007			2006	Change, 2007/ 2006
Net operating revenues <sup>*)</sup> (US\$, 000)	30,691	14,306	114.5%	36,271	-15.4%	105,451	33,726	212.7%
including interconnect revenue	10,921	4,486	143.4%	10,861	0.6%	34,789	10,630	227.3%
OIBDA (US\$, 000)	3,643	-10,546		6,455	-43.6%	508	-34,690	
OIBDA margin	10.5%	n/a		17.5%		0.5%	n/a	
Gross margin (US\$, 000)	20,872	7,296	186.1%	23,314	-10.5%	67,147	16,472	307.6%
Gross margin percentage	60.4%	49.3%		63.0%		60.2%	46.8%	
SG&A (US\$, 000)	17,547	17,624	-0.4%	16,465	6.6%	66,519	50,703	31.2%
SG&A percentage	50.8%	119.1%		44.5%		59.6%	143.9%	
Net income (US\$, 000)	-17,551	-21,502		-6,443		-59,619	-60,990	
ARPU, (US\$)	5.6	4.2	33.3%	5.8	-3.4%	4.7	5.0	-6.0%
MOU, (min)	183.2	149.1	22.9%	168.2	8.9%	163.2	149.7	9.0%
SAC (US\$)	8.2	6.6	24.2%	5.5	49.1%	7.8	10.0	-22.0%
Active subscribers	1,941,251	1,523,700	27.4%	2,212,250	-12.2%	1,941,251	1,523,700	27.4%
Churn	20.9%	0.7%		25.5%		61.8%	18.6%	
Subscriber market share	4.8%	3.8%		5.1%		4.8%	3.8%	

<sup>\*)</sup> Net operating revenues exclude inter-company transactions (US\$3,854 thousand in 4Q 2007, US\$490 thousand in 4Q 2006, US\$708 thousand in 3Q 2007, US\$6,159 thousand in 2007, US\$1,500 thousand in 2006).

We are satisfied with our progress in Ukraine in 2007. Our revenues exceeded \$100 million and our annual OIBDA moved into positive territory. Moreover, despite an aggressive competitive environment, our ARPU grew in the second half of the year.

As expected, two factors adversely affected our revenues in the fourth quarter. First, the active base was reduced by the departure of summer tourists who had purchased local SIM-cards, and second, roaming revenues declined seasonally. However, even with this revenue erosion, OIBDA stayed positive and ARPU remained essentially flat quarter-on-quarter.

While we have stabilized our overall financial performance, we will increase our focus on building our customer base, paying attention to subscriber quality.

- more -

**VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results**

Page 7 of 10

UZBEKISTAN	4Q2007	4Q2006	Three months		Change, 4Q07/ 3Q07	Year		Change, 2007/ 2006
			Change, 4Q07/ 4Q06	3Q2007		2007	2006	
Net operating revenues <sup>*)</sup> (US\$, 000)	36,364	15,795	130.2%	29,913	21.6%	107,449	55,358	94.1%
OIBDA (US\$, 000)	17,756	7,815	127.2%	16,923	4.9%	54,732	32,079	70.6%
OIBDA margin	48.6%	49.1%		56.1%		50.6%	57.7%	
Gross margin (US\$, 000)	31,048	13,869	123.9%	25,794	20.4%	91,989	48,776	88.6%
Gross margin percentage	85.0%	87.1%		85.6%		85.1%	87.7%	
SG&A (US\$, 000)	13,053	5,933	120.0%	8,668	50.6%	36,517	16,451	122.0%
SG&A percentage	35.7%	37.3%		28.7%		33.8%	29.6%	
Net income (US\$, 000)	5,950	382	1457.6%	6,879	-13.5%	19,570	8,241	137.5%
ARPU, (US\$)	6.8	9.8	-30.6%	7.6	-10.5%	7.1	11.9	-40.3%
MOU, (min)	283.4	268.8	5.4%	289.8	-2.2%	274.0	320.5	-14.5%
SAC (US\$)	4.6	5.8	-20.7%	4.4	4.5%	4.3	7.2	-40.3%
Active subscribers	2,119,612	700,500	202.6%	1,586,890	33.6%	2,119,612	700,500	202.6%
Churn	10.6%	10.2%		14.2%		61.7%	44.9%	
Subscriber market share	37.3%	27.2%		35.6%		37.3%	27.2%	

<sup>\*)</sup> Net operating revenues exclude inter-company transactions (US\$184 thousand in 4Q 2007, US\$122 thousand in 4Q 2006, US\$237 thousand in 3Q 2007, US\$653 thousand in 2007, US\$240 thousand in 2006).

It was an excellent year for our business in Uzbekistan. In 2007, we tripled our active subscriber base, and built our subscriber market share by more than 10 percentage points, reaching 37.3%. Revenue grew by 94.1%, and OIBDA margin remained strong at more than 50%.

In the fourth quarter, our revenue grew by 21.6% versus the third quarter, driven predominantly by a 33.6% sequential growth in the number of active subscribers. With SIM-card penetration passing 20%, we will be focusing on capturing rapid subscriber growth.

- more -

**VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results**

Page 9 of 10

TAJIKISTAN	4Q2007	4Q2006	Three months		Change, 4Q07/ 3Q07	Year		Change, 2007/ 2006
			Change, 4Q07/ 4Q06	3Q2007		2007	2006	
Net operating revenues <sup>*</sup> (US\$, 000)	8,030	799	905.0%	7,615	5.4%	23,657	1,181	1903.1%
OIBDA (US\$, 000)	1,366	-1,112		1,646	-17.0%	2,763	-2,447	
OIBDA margin	16.9%	n/a		21.5%		11.6%	n/a	
Gross margin (US\$, 000)	5,082	372	1266.1%	5,153	-1.4%	15,022	520	2788.8%
Gross margin percentage	63.0%	45.4%		67.3%		63.2%	43.3%	
SG&A (US\$, 000)	3,547	1,485	138.9%	3,515	0.9%	12,074	2,968	306.8%
SG&A percentage	43.9%	181.1%		45.9%		50.8%	246.9%	
Net income <sup>**</sup> (US\$, 000)	-2,517	-1,114		-276		-5,564	-2,395	
ARPU, (US\$)	9.0	9.0	0.0%	10.8	-16.7%	9.7	6.8	42.6%
MOU, (min)	216.3	187.9	15.1%	230.3	-6.1%	220.6	121.1	82.2%
SAC (US\$)	13.0	2.5	420.0%	12.8	1.6%	12.5	3.3	278.8%
Active subscribers	339,393	72,000	371.4%	268,446	26.4%	339,393	72,000	371.4%
Churn	1.2%	17.9%		1.8%		4.6%	95.1%	
Subscriber market share	18.1%	7.0%		16.7%		18.1%	7.0%	

<sup>\*</sup>) Net operating revenues exclude inter-company transactions (US\$43 in 4Q 2007, US\$22 thousand in 4Q 2006, US\$39 thousand in 3Q 2007, US\$120 thousand in 2007, US\$22 thousand in 2006).

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

In Tajikistan, our business continues to demonstrate excellent dynamics with consistent growth in financial performance and subscriber base. On a year-on-year basis, we increased our subscriber base by almost five times. We reached positive OIBDA in less than one year of operations. Further, our fourth quarter revenues were 10 times higher than in the same period a year ago without any ARPU erosion.

- more -

**VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results**

Page 9 of 10

ARMENIA	4Q2007	4Q 2006 <sup>***</sup>	Three months		Change, 4Q07/ 3Q07	2007	Year 2006 <sup>***</sup>	Change, 2007/ 2006
			Change, 4Q07/ 4Q06	3Q2007				
Net operating revenues <sup>*</sup> (US\$, 000), including	59,423	27,373	n/a	63,277	-6.1%	235,123	27,373	n/a
mobile revenues	23,070	10,451	n/a	25,723	-10.3%	91,760	10,451	n/a
fixed revenues	36,353	16,922	n/a	37,554	-3.2%	143,363	16,922	n/a
OIBDA (US\$, 000)	32,476	13,290	n/a	32,888	-1.3%	122,743	13,290	n/a
OIBDA margin	54.3%	48.6%		51.9%		52.1%	48.6%	
Net income <sup>**</sup> (US\$, 000)	257	2,927	n/a	15,961		22,734	2,927	n/a
Mobile active subscribers	442,484	416,000	6.4%	446,957	-1.0%	442,484	416,000	6.4%
ARPU, (US\$)	17.4	17.0	2.4%	17.6	-1.1%	16.7	17.0	-1.8%
MOU, (min)	171.8	178.0	-3.5%	181.0	-5.1%	169.9	178.0	-4.5%
Churn	23.8%	9.1%		4.4%		49.7%	9.1%	
Mobile subscriber market share	26.1%	37.9%		33.6%		26.1%	37.9%	
Fixed subscribers	629,273	608,500	3.4%	616,175	2.1%	629,273	608,500	3.4%
ARPU fixed (US\$)	19.6	18.5	5.9%	20.4	-3.9%	19.5	18.5	5.4%

<sup>\*</sup>) Net operating revenues exclude inter-company transactions (US\$388 thousand in 4Q 2007, US\$0 thousand in 4Q 2006, US\$85 thousand in 3Q 2007, US\$629 thousand in 2007, US\$0 thousand in 2006).

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

<sup>\*\*\*</sup>) The 2006 numbers included only 1.5 months of operations.

Acquired in November 2006, our business in Armenia demonstrated robust margins and the highest ARPU of any country in the CIS. However, our business situation in the mobile market, particularly our subscriber market share, remains challenging. We are actively expanding coverage, improving the quality of the network, and strengthening our marketing activities to address the inherited issues of the Armenian operations.

**GEORGIA**

The Company launched commercial operations in Georgia on March 15, 2007. Currently, we are continuing to build the network and develop our sales and distribution channels. At the end of 2007, we received frequencies in 900 MHz band, which will help us to improve the quality, speed and efficiency of our network construction. In the fourth quarter, we reached 72,655 active subscribers and had revenues of US\$0.95 million, representing 173.1% quarter-on-quarter subscriber growth and 187.9% revenue growth. However, our operations in this country are still in an early phase of development.

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**VimpelCom Announces Fourth Quarter And Annual 2007 Financial And Operating Results**

**Page 10 of 10**

The Company's management will discuss its fourth quarter results during a conference call and slide presentation on March 12, 2008 at 6:30 pm Moscow time (11:30 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 will be available through March 19, 2008. The slide presentation webcast will also be available for download on VimpelCom's website <http://www.vimpelcom.com>.

The VimpelCom Group is a telecommunications operator, providing voice and data services, covered through a range of wireless, fixed and broadband technologies. The Group includes companies operating in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia and Armenia, in territories with a total population of about 250 million. 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 .

*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, continued volatility in the world economy, challenges to 3G and Far East tenders and/or litigation with third parties. 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 and specific transactions), if the Company is unable to successfully integrate newly-acquired businesses, including Golden Telecom, 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.*

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**-Definitions and tables are attached**

**- more -**

**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.

**Reported 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 two months. Prepaid subscribers are disconnected in two cases: (1) an account has been blocked after the balance drops to \$0 or below for up to six months, (2) an account showed no chargeable transaction for up to ten months. The exact number of months prior to the disconnection varies by country and depends on the legislation and market specifics.

**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.

**Free cash flow** is calculated as operating cash flow minus accrued capital expenditures before acquisitions.

**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.

$MOU_{REG}$  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\*), 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.**

\*) *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

## Condensed Consolidated Statements of Operations

	Three months ended December 31,		Years ended December 31,	
	2007	2006	2007	2006
	<i>(Unaudited)</i>			
	<i>(In thousands of US dollars , except per share (ADS) amounts)</i>			
<b>Operating revenues:</b>				
Service revenues and connection fees	\$ 2,006,440	\$ 1,447,054	\$ 7,161,833	\$ 4,847,661
Sales of handsets and accessories	2,307	4,252	6,519	19,265
Other revenues	2,504	657	6,528	2,931
<b>Total operating revenues</b>	<b>2,011,251</b>	<b>1,451,963</b>	<b>7,174,880</b>	<b>4,869,857</b>
Revenue based tax	(1,305)	(551)	(3,782)	(1,879)
<b>Net operating revenues</b>	<b>2,009,946</b>	<b>1,451,412</b>	<b>7,171,098</b>	<b>4,867,978</b>
<b>Operating expenses:</b>				
Service costs (exclusive of depreciation shown separately below)	365,653	267,736	1,309,287	872,388
Cost of handsets and accessories sold	1,592	4,223	5,827	18,344
Selling general and administrative expenses	715,892	478,423	2,206,322	1,503,615
Depreciation	331,725	265,086	1,171,834	874,618
Amortization	56,040	50,095	218,719	179,846
Provision for doubtful accounts	8,399	11,205	52,919	21,848
<b>Total operating expenses</b>	<b>1,479,301</b>	<b>1,076,768</b>	<b>4,964,908</b>	<b>3,470,659</b>
<b>Operating income</b>	<b>530,645</b>	<b>374,644</b>	<b>2,206,190</b>	<b>1,397,319</b>
<b>Other income and expenses:</b>				
Interest income	11,554	4,436	33,021	15,471
Interest expense	(50,274)	(46,602)	(194,839)	(186,404)
Net foreign exchange gain (loss)	21,614	10,667	72,955	24,596
Other income (expenses)	31,377	(22,567)	3,029	(38,844)
<b>Total other income and expenses</b>	<b>14,271</b>	<b>(54,066)</b>	<b>(85,834)</b>	<b>(185,181)</b>
<b>Income before income taxes and minority interest</b>	<b>544,916</b>	<b>320,578</b>	<b>2,120,356</b>	<b>1,212,138</b>
<b>Income taxes expense</b>	<b>159,225</b>	<b>127,831</b>	<b>593,928</b>	<b>390,663</b>
<b>Minority interest in net earnings of subsidiaries</b>	<b>17,583</b>	<b>(5,203)</b>	<b>63,722</b>	<b>8,104</b>
<b>Income before cumulative effect of change in accounting principle</b>	<b>368,108</b>	<b>197,950</b>	<b>1,462,706</b>	<b>813,371</b>
Cumulative effect of changes in accounting principles				(1,882)
<b>Net income</b>	<b>368,108</b>	<b>197,950</b>	<b>1,462,706</b>	<b>811,489</b>
Net income per common share	\$ 7.25	\$ 3.89	\$ 28.78	\$ 15.94
Net income per ADS equivalent	\$ 0.36	\$ 0.19	\$ 1.44	\$ 0.80
<b>Weighted average common shares outstanding (thousands)</b>	<b>50,777</b>	<b>50,859</b>	<b>50,818</b>	<b>50,911</b>

## Open Joint Stock Company Vimpel Communications

## Condensed Consolidated Balance Sheets

	December 31, 2007	December 31, 2006
	<i>(In thousands of US dollars)</i>	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,003,711	\$ 344,494
Trade accounts receivable	281,396	311,991
Other current assets	441,810	468,071
Total current assets	1,726,917	1,124,556
<b>Non current assets</b>		
Property and equipment, net	5,497,819	4,615,675
Telecommunication licenses and allocation of frequencies, net	915,211	924,809
Other intangible assets, net	1,302,318	1,033,140
Other assets	1,126,619	738,366
Total non current assets	8,841,967	7,311,990
<b>Total assets</b>	<b>\$ 10,568,884</b>	<b>\$ 8,436,546</b>
<b>Liabilities and shareholders equity</b>		
Current liabilities:		
Accounts payable	\$ 700,589	\$ 671,953
Customer advances and deposits	423,611	314,375
Bank and other loans, current portion	526,512	424,103
Accrued liabilities	348,989	201,545
Total current liabilities	1,999,701	1,611,976
Deferred income taxes	576,276	528,025
Bank and other loans, less current portion	2,240,097	2,065,329
Accrued liabilities	52,614	30,447
Minority Interest	288,410	257,859
Shareholders equity	5,411,786	3,942,910
<b>Total liabilities and shareholders equity</b>	<b>\$ 10,568,884</b>	<b>\$ 8,436,546</b>

## Open Joint Stock Company Vimpel Communications

## Condensed Consolidated Statements of Cash Flows

	Years ended December 31,	
	2007	2006
	<i>(In thousands of US dollars)</i>	
<b>Net cash provided by operating activities</b>	<b>\$ 3,037,690</b>	<b>\$ 1,971,268</b>
Proceeds from bank and other loans	666,348	925,183
Sale of treasury stock	39,787	12,855
Payments of fees in respect of bank loans	(14,380)	(48,175)
Repayment of rouble denominated bonds		(110,783)
Repayment of bank and other loans	(472,545)	(447,663)
Payment of dividends	(331,885)	
Purchase of treasury stock	(81,069)	(38,535)
<b>Net cash provided by financing activities</b>	<b>(193,744)</b>	<b>292,882</b>
Short-term investments	(42,356)	
Purchase of property and equipment	(1,238,305)	(1,265,549)
Acquisition of subsidiaries, net of cash	(301,355)	(679,765)
Purchase of intangible assets	(73,814)	(31,408)
Escrow cash deposit	(200,170)	
Purchase of other assets	(378,552)	(310,269)
<b>Net cash used in investing activities</b>	<b>(2,234,552)</b>	<b>(2,286,991)</b>
<b>Effect of exchange rate changes on cash</b>	<b>49,823</b>	<b>3,689</b>
<b>Net increase (decrease) in cash</b>	<b>659,217</b>	<b>(19,152)</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>1,003,711</b>	<b>344,494</b>
<b>Supplemental cash flow information</b>		
<b>Cash paid during the period:</b>		
Income tax	\$ 601,939	\$ 354,566
Interest	201,259	188,991
<b>Non cash activities:</b>		
Equipment acquired under financing and capital lease agreements	48,514	23,458
Accounts payable for equipment and other long lived assets	417,478	249,020
Offset of 2009 Tendered Notes		232,766
Non cash discounts from suppliers of equipment	(5,441)	14,542
<b>Acquisitions:</b>		
Fair value of assets acquired	84,125	671,997
Fair value of minority interest acquired	41,636	
Difference between the amount paid and the fair value of net assets acquired	182,034	268,315
Cash paid for the capital stock	(291,928)	(735,500)
Liabilities assumed	\$ 15,867	\$ 204,812

## Attachment C. Reconciliation tables (Unaudited)

## CONSOLIDATED

## Reconciliation of OIBDA

*(In thousands of US dollars)*

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA</b>	<b>918,410</b>	<b>689,825</b>	<b>1,015,158</b>	<b>3,596,743</b>	<b>2,451,783</b>
Depreciation	(331,725)	(265,086)	(285,572)	(1,171,834)	(874,618)
Amortization	(56,040)	(50,095)	(55,583)	(218,719)	(179,846)
<b>Operating income</b>	<b>530,645</b>	<b>374,644</b>	<b>674,003</b>	<b>2,206,190</b>	<b>1,397,319</b>

## Reconciliation of OIBDA Margin

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA margin</b>	<b>45.7%</b>	<b>47.5%</b>	<b>51.9%</b>	<b>50.2%</b>	<b>50.4%</b>
Less: Depreciation as a percentage of net operating revenue	(16.5)%	(18.3)%	(14.6)%	(16.3)%	(18.0)%
Less: Amortization as a percentage of net operating revenue	(2.8)%	(3.4)%	(2.8)%	(3.1)%	(3.7)%
<b>Operating income as a percentage of net operating revenue</b>	<b>26.4%</b>	<b>25.8%</b>	<b>34.5%</b>	<b>30.8%</b>	<b>28.7%</b>

## RUSSIA

## Reconciliation of OIBDA in Russia

*(In thousands of US dollars)*

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA</b>	<b>773,338</b>	<b>645,144</b>	<b>871,163</b>	<b>3,100,804</b>	<b>2,303,539</b>
Depreciation	(269,036)	(229,544)	(249,781)	(991,886)	(796,137)
Amortization	(30,602)	(27,091)	(29,470)	(117,085)	(104,155)
<b>Operating income</b>	<b>473,700</b>	<b>388,509</b>	<b>591,912</b>	<b>1,991,833</b>	<b>1,403,247</b>

## Reconciliation of OIBDA Margin in Russia

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA margin</b>	<b>45.4%</b>	<b>50.3%</b>	<b>52.7%</b>	<b>50.9%</b>	<b>52.3%</b>
Less: Depreciation as a percentage of net operating revenue	(15.8)%	(17.9)%	(15.1)%	(16.3)%	(18.0)%
Less: Amortization as a percentage of net operating revenue	(1.8)%	(2.1)%	(1.8)%	(1.9)%	(2.4)%
<b>Operating income as a percentage of net operating revenue</b>	<b>27.8%</b>	<b>30.3%</b>	<b>35.8%</b>	<b>32.7%</b>	<b>31.9%</b>

## Reconciliation of SAC in Russia

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Selling, general and administrative expenses</b>	<b>632,640</b>	<b>406,642</b>	<b>477,277</b>	<b>1,903,411</b>	<b>1,330,806</b>
Less: General and administrative expenses	481,871	298,222	351,028	1,423,662	949,326
Sales and marketing expenses, including <i>advertising &amp; marketing expenses</i>	150,769	108,420	126,249	479,749	381,480
<i>dealers commission expense</i>	80,899	59,892	59,478	241,300	190,791
New gross subscribers, 000	69,870	48,528	66,771	238,449	190,689
New gross subscribers, 000	4,748	4,971	5,100	18,850	21,303
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>31.8</b>	<b>21.8</b>	<b>24.8</b>	<b>25.5</b>	<b>17.9</b>

## Reconciliation of ARPU in Russia

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Service revenue and connection fees</b>	<b>1,697,465</b>	<b>1,276,276</b>	<b>1,650,358</b>	<b>6,082,473</b>	<b>4,379,534</b>
Less: Connection fees	386	308	184	904	1,744
Less: Revenue from rent of fiber-optic channels	1,546	433	1,003	4,496	1,846
Service revenue used to calculate ARPU	1,695,533	1,275,535	1,649,171	6,077,073	4,375,944
Average number of registered subscribers, 000	50,883	47,541	49,926	49,457	46,142
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>11.1</b>	<b>8.9</b>	<b>11.0</b>	<b>10.2</b>	<b>7.9</b>
Average number of active subscribers, 000	41,881	39,102	40,933	40,299	37,996
<b>ARPU (US\$)</b>	<b>13.5</b>	<b>10.9</b>	<b>13.4</b>	<b>12.6</b>	<b>9.6</b>

KAZAKHSTAN

## Reconciliation of OIBDA in Kazakhstan

*(In thousands of US dollars)*

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA</b>	<b>92,171</b>	<b>35,744</b>	<b>88,127</b>	<b>322,623</b>	<b>140,580</b>
Depreciation	(20,139)	(21,142)	(14,983)	(68,477)	(56,158)
Amortization	(9,673)	(9,134)	(9,091)	(37,337)	(36,792)
<b>Operating income</b>	<b>62,359</b>	<b>5,468</b>	<b>64,053</b>	<b>216,809</b>	<b>47,630</b>

## Reconciliation of OIBDA Margin in Kazakhstan

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA margin</b>	<b>52.8%</b>	<b>31.6%</b>	<b>52.7%</b>	<b>52.8%</b>	<b>40.0%</b>
Less: Depreciation as a percentage of net operating revenue	(11.6)%	(18.7)%	(9.0)%	(11.2)%	(16.0)%
Less: Amortization as a percentage of net operating revenue	(5.5)%	(8.1)%	(5.4)%	(6.1)%	(10.5)%

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<b>Operating income as a percentage of net operating revenue</b>	35.7%	4.8%	38.3%	35.5%	13.5%
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**Reconciliation of SAC in Kazakhstan***(In thousands of US dollars, except for SAC and subscriber amounts)*

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Selling, general and administrative expenses</b>	<b>33,787</b>	<b>40,200</b>	<b>32,650</b>	<b>123,584</b>	<b>96,451</b>
Less: General and administrative expenses	21,034	33,080	23,419	86,405	74,054
Sales and marketing expenses, including <i>advertising &amp; marketing expenses</i>	12,753	7,120	9,231	37,179	22,397
<i>dealers' commission expense</i>	5,678	4,419	5,093	19,584	11,791
New gross subscribers, 000	783	809	919	3,226	2,724
Subscriber Acquisition Cost (SAC) (US\$)	16.3	8.8	10.0	11.5	8.2

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Service revenue and connection fees</b>	<b>174,624</b>	<b>112,963</b>	<b>167,122</b>	<b>610,471</b>	<b>351,854</b>
Less: Connection fees	0	0	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0	0	0
Service revenue used to calculate ARPU	174,624	112,963	167,122	610,471	351,854
Average number of registered subscribers, 000	5,716	3,498	5,120	4,880	2,893
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>10.2</b>	<b>10.8</b>	<b>10.9</b>	<b>10.4</b>	<b>10.1</b>
Average number of active subscribers, 000	4,468	2,728	4,107	3,875	2,332
<b>ARPU (US\$)</b>	<b>13.0</b>	<b>13.8</b>	<b>13.6</b>	<b>13.1</b>	<b>12.6</b>

**UKRAINE****Reconciliation of OIBDA in Ukraine***(In thousands of US dollars)*

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA</b>	<b>3,643</b>	<b>(10,546)</b>	<b>6,455</b>	<b>508</b>	<b>(34,690)</b>
Depreciation	(13,036)	(4,325)	(4,417)	(24,986)	(6,478)
Amortization	(3,096)	(5,722)	(5,210)	(18,749)	(20,555)
<b>Operating income</b>	<b>(12,489)</b>	<b>(20,593)</b>	<b>(3,172)</b>	<b>(43,227)</b>	<b>(61,723)</b>

**Reconciliation of OIBDA Margin in Ukraine**

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA margin</b>	<b>10.5%</b>	<b>n/a</b>	<b>17.5%</b>	<b>0.5%</b>	<b>n/a</b>
Less: Depreciation as a percentage of net operating revenue	(37.7)%	n/a	(12.0)%	(22.4)%	n/a

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Less: Amortization as a percentage of net operating revenue	(9.0)%	n/a	(14.1)%	(16.8)%	n/a
<b>Operating income as a percentage of net operating revenue</b>	<b>(36.2)%</b>	<b>n/a</b>	<b>(8.6)%</b>	<b>(38.7)%</b>	<b>n/a</b>



## Reconciliation of SAC in Ukraine

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Selling, general and administrative expenses</b>	<b>17,547</b>	<b>17,624</b>	<b>16,465</b>	<b>66,519</b>	<b>50,703</b>
Less: General and administrative expenses	13,588	11,346	12,454	48,718	33,235
Sales and marketing expenses, including advertising & marketing expenses	3,959	6,278	4,011	17,801	17,468
dealers commission expense	466	1,134	1,258	3,673	2,519
New gross subscribers, 000	480	948	729	2,290	1,752
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>8.2</b>	<b>6.6</b>	<b>5.5</b>	<b>7.8</b>	<b>10.0</b>

## Reconciliation of ARPU in Ukraine

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Service revenue and connection fees</b>	<b>34,095</b>	<b>14,652</b>	<b>36,523</b>	<b>110,212</b>	<b>35,024</b>
Less: Connection fees	0	5	112	153	8
Less: Revenue from rent of fiber-optic channels	0	0	0	0	0
Service revenue used to calculate ARPU	34,095	14,647	36,411	110,059	35,016
Average number of registered subscribers, 000	2,721	1,425	2,668	2,501	714
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>4.2</b>	<b>3.4</b>	<b>4.5</b>	<b>3.7</b>	<b>4.1</b>
Average number of active subscribers, 000	2,037	1,170	2,081	1,937	582
<b>ARPU (US\$)</b>	<b>5.6</b>	<b>4.2</b>	<b>5.8</b>	<b>4.7</b>	<b>5.0</b>
<b>UZBEKISTAN</b>					

## Reconciliation of OIBDA in Uzbekistan

*(In thousands of US dollars)*

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA</b>	<b>17,756</b>	<b>7,815</b>	<b>16,923</b>	<b>54,732</b>	<b>32,079</b>
Depreciation	(5,088)	(2,720)	(4,011)	(15,508)	(8,376)
Amortization	(3,480)	(3,378)	(3,438)	(13,715)	(11,843)
<b>Operating income</b>	<b>9,188</b>	<b>1,717</b>	<b>9,474</b>	<b>25,509</b>	<b>11,860</b>

## Reconciliation of OIBDA Margin in Uzbekistan

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA margin</b>	<b>48.6%</b>	<b>49.1%</b>	<b>56.1%</b>	<b>50.6%</b>	<b>57.7%</b>

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Less: Depreciation as a percentage of net operating revenue	(14.0)%	(17.1)%	(13.3)%	(14.3)%	(15.1)%
Less: Amortization as a percentage of net operating revenue	(9.5)%	(21.2)%	(11.4)%	(12.7)%	(21.3)%
<b>Operating income as a percentage of net operating revenue</b>	<b>25.1%</b>	<b>10.8%</b>	<b>31.4%</b>	<b>23.6%</b>	<b>21.3%</b>

### Reconciliation of SAC in Uzbekistan

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Selling, general and administrative expenses</b>	<b>13,053</b>	<b>5,933</b>	<b>8,668</b>	<b>36,517</b>	<b>16,451</b>
Less: General and administrative expenses	9,501	4,287	6,003	26,711	12,369
Sales and marketing expenses, including advertising & marketing expenses	3,552	1,646	2,665	9,806	4,081
dealers commission expense	1,475	767	1,112	4,142	1,843
New gross subscribers, 000	2,077	879	1,553	5,664	2,238
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>4.6</b>	<b>5.8</b>	<b>4.4</b>	<b>4.3</b>	<b>7.2</b>

### Reconciliation of ARPU in Uzbekistan

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Service revenue and connection fees</b>	<b>37,769</b>	<b>16,446</b>	<b>31,159</b>	<b>111,716</b>	<b>57,439</b>
Less: Connection fees	0	0	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0	0	0
Service revenue used to calculate ARPU	37,769	16,446	31,159	111,716	57,439
Average number of registered subscribers, 000	1,904	625	1,408	1,360	461
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>6.6</b>	<b>8.8</b>	<b>7.4</b>	<b>6.8</b>	<b>10.4</b>
Average number of active subscribers, 000	1,847	558	1,372	1,315	402
<b>ARPU (US\$)</b>	<b>6.8</b>	<b>9.8</b>	<b>7.6</b>	<b>7.1</b>	<b>11.9</b>
<b>TAJIKISTAN</b>					

### Reconciliation of OIBDA in Tajikistan

(In thousands of US dollars)

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA</b>	<b>1,366</b>	<b>(1,112)</b>	<b>1,646</b>	<b>2,763</b>	<b>(2,447)</b>
Depreciation	(1,472)	(204)	(948)	(3,352)	(318)
Amortization	(168)	(69)	(158)	(643)	(680)
<b>Operating income</b>	<b>(274)</b>	<b>(1,385)</b>	<b>540</b>	<b>(1,232)</b>	<b>(3,445)</b>

### Reconciliation of OIBDA Margin in Tajikistan

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA margin</b>	<b>16.9%</b>	<b>n/a</b>	<b>21.5%</b>	<b>11.6%</b>	<b>n/a</b>
Less: Depreciation as a percentage of net operating revenue	(18.2)%	n/a	(12.3)%	(14.1)%	n/a

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Less: Amortization as a percentage of net operating revenue	(2.1)%	n/a	(2.1)%	(2.7)%	n/a
<b>Operating income as a percentage of net operating revenue</b>	<b>(3.4)%</b>	<b>n/a</b>	<b>7.1%</b>	<b>(5.2)%</b>	<b>n/a</b>

## Reconciliation of SAC in Tajikistan

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Selling, general and administrative expenses</b>	<b>3,547</b>	<b>1,485</b>	<b>3,515</b>	<b>12,074</b>	<b>2,968</b>
Less: General and administrative expenses	2,309	1,325	2,470	8,022	2,741
Sales and marketing expenses, including <i>advertising &amp; marketing expenses</i>	1,238	160	1,045	4,052	227
<i>dealers' commission expense</i>	467	91	553	1,990	158
New gross subscribers, 000	771	69	492	2,062	69
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>13.0</b>	<b>2.5</b>	<b>12.8</b>	<b>12.5</b>	<b>3.3</b>

## Reconciliation of ARPU in Tajikistan

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Service revenue and connection fees</b>	<b>8,139</b>	<b>840</b>	<b>7,675</b>	<b>23,927</b>	<b>1,218</b>
Less: Connection fees	0	0	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0	0	0
Service revenue used to calculate ARPU	8,139	840	7,675	23,927	1,218
Average number of registered subscribers, 000	338	36	256	222	23
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>8.0</b>	<b>7.8</b>	<b>10.0</b>	<b>9.0</b>	<b>4.4</b>
Average number of active subscribers, 000	302	31	236	205	15
<b>ARPU (US\$)</b>	<b>9.0</b>	<b>9.0</b>	<b>10.8</b>	<b>9.7</b>	<b>6.8</b>

ARMENIA

## Reconciliation of OIBDA in Armenia

*(In thousands of US dollars)*

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA</b>	<b>32,476</b>	<b>13,290</b>	<b>32,888</b>	<b>122,743</b>	<b>13,290</b>
Depreciation	(21,840)	(7,148)	(10,671)	(65,182)	(7,148)
Amortization	(7,748)	(3,928)	(6,951)	(26,440)	(3,928)
<b>Operating income</b>	<b>2,888</b>	<b>2,214</b>	<b>15,266</b>	<b>31,121</b>	<b>2,214</b>

## Reconciliation of OIBDA Margin in Armenia

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>OIBDA margin</b>	<b>54.3%</b>	<b>48.6%</b>	<b>51.9%</b>	<b>52.1%</b>	<b>48.6%</b>
Less: Depreciation as a percentage of net operating revenue	(36.5)%	(26.1)%	(16.8)%	(27.7)%	(26.1)%
Less: Amortization as a percentage of net operating revenue	(13.0)%	(14.4)%	(11.0)%	(11.2)%	(14.4)%

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<b>Operating income as a percentage of net operating revenue</b>	<b>4.8%</b>	<b>8.1%</b>	<b>24.1%</b>	<b>13.2%</b>	<b>8.1%</b>
--	-------------	-------------	--------------	--------------	-------------

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Service revenue and connection fees</b>	<b>23,290</b>	<b>10,451</b>	<b>25,623</b>	<b>91,970</b>	<b>10,451</b>
Less: Connection fees	66	0	64	279	0
Less: Revenue from rent of fiber-optic channels	0	0	0	0	0
Service revenue used to calculate ARPU	23,224	10,451	25,559	91,691	10,451
Average number of registered subscribers, 000	478	445	528	490	445
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>16.2</b>	<b>15.7</b>	<b>16.1</b>	<b>15.6</b>	<b>15.7</b>
Average number of active subscribers, 000	444	409	483	457	409
<b>ARPU (US\$)</b>	<b>17.4</b>	<b>17.0</b>	<b>17.6</b>	<b>16.7</b>	<b>17.0</b>

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

	Three months ended			Year Ended	
	Dec 31, 2007	Dec 31, 2006	Sept 30, 2007	Dec 31, 2007	Dec 31, 2006
<b>Service revenue and connection fees</b>	<b>36,299</b>	<b>16,922</b>	<b>37,551</b>	<b>143,363</b>	<b>16,922</b>
Less: Connection fees	(271)	0	88	(128)	0
Service revenue used to calculate ARPU	36,570	16,922	37,463	143,491	16,922
Average number of subscribers, 000	622	609	611	612	609
<b>Average revenue per subscriber per month (US\$)</b>	<b>19.6</b>	<b>18.5</b>	<b>20.4</b>	<b>19.5</b>	<b>18.5</b>

## Attachment D. Additional reference data

## Operating and Financial Indicators

CONSOLIDATED	4Q2007	4Q2006	Three months		Change, 4Q07/3Q07	2007	Year		Change 2007/2006
			Change, 4Q07/4Q06	3Q2007			2006	2007	
Registered mobile subscribers	63,340,040	55,135,700	14.9%	60,990,302	3.9%	63,340,040	55,135,700	14.9%	
Registered fixed subscribers	629,273	608,500	3.4%	616,175	2.1%	629,273	608,500	3.4%	

RUSSIA	4Q2007	4Q2006	Three months		Change, 4Q07/3Q07	2007	Year		Change 2007/2006
			Change, 4Q07/4Q06	3Q2007			2006	2007	
Registered subscribers	51,622,117	48,141,200	7.2%	50,296,378	2.6%	51,622,117	48,141,200	7.2%	
ARPU <sub>REG</sub> (US\$)	11.1	8.9	24.7%	11.0	0.9%	10.2	7.9	29.1%	
MOU <sub>REG</sub> (min)	168.0	129.8	29.4%	171.3	-1.9%	156.5	120.1	30.3%	

KAZAKHSTAN	4Q2007	4Q2006	Three months		Change, 4Q07/3Q07	2007	Year		Change 2007/2006
			Change, 4Q07/4Q06	3Q2007			2006	2007	
Registered subscribers	5,905,511	3,826,500	54.3%	5,456,505	8.2%	5,905,511	3,826,500	54.3%	
ARPU <sub>REG</sub> (US\$)	10.2	10.8	-5.6%	10.9	-6.4%	10.4	10.1	3.0%	
MOU <sub>REG</sub> (min)	77.3	60.8	27.1%	90.4	-14.5%	75.1	56.8	32.2%	

UKRAINE	4Q2007	4Q2006	Three months		Change, 4Q07/3Q07	2007	Year		Change 2007/2006
			Change, 4Q07/4Q06	3Q2007			2006	2007	
Registered subscribers	2,646,647	1,876,100	41.1%	2,737,000	-3.3%	2,646,647	1,876,100	41.1%	
ARPU <sub>REG</sub> (US\$)	4.2	3.4	23.5%	4.5	-6.7%	3.7	4.1	-9.8%	
MOU <sub>REG</sub> (min)	137.1	122.4	12.0%	131.2	4.5%	126.3	121.8	3.7%	

UZBEKISTAN	4Q2007	4Q2006	Three months		Change, 4Q07/3Q07	2007	Year		Change 2007/2006
			Change, 4Q07/4Q06	3Q2007			2006	2007	
Registered subscribers	2,197,730	766,500	186.7%	1,631,673	34.7%	2,197,730	766,500	186.7%	
ARPU <sub>REG</sub> (US\$)	6.6	8.8	-25.0%	7.4	-10.8%	6.8	10.4	-34.6%	
MOU <sub>REG</sub> (min)	274.9	240.1	14.5%	282.4	-2.7%	264.9	279.5	-5.2%	

TAJIKISTAN	4Q2007	4Q2006	Three months		Change, 4Q07/3Q07	2007	Year		Change 2007/2006
			Change, 4Q07/4Q06	3Q2007			2006	2007	
Registered subscribers	386,460	73,400	426.5%	295,049	31.0%	386,460	73,400	426.5%	
ARPU <sub>REG</sub> (US\$)	8.0	7.8	2.6%	10.0	-20.0%	9.0	4.4	104.5%	
MOU <sub>REG</sub> (min)	193.0	160.8	20.0%	212.7	-9.3%	203.9	77.4	163.4%	

ARMENIA	4Q2007	4Q2006	Three months		Change, 4Q07/3Q07	2007	Year		Change 2007/2006
			Change, 4Q07/4Q06	3Q2007			2006	2007	
Registered mobile subscribers	487,170	452,000	7.8%	538,411	-9.5%	487,170	452,000	7.8%	
ARPU <sub>REG</sub> (US\$)	16.2	15.7	3.2%	16.1	0.6%	15.6	15.7	-0.6%	
MOU <sub>REG</sub> (min)	159.4	163.7	-2.6%	165.4	-3.6%	158.4	163.7	-3.2%	











VimpelCom  
Presentation of 4Q and Full Year 2007  
Financial  
and  
Operating Results  
March 12, 2008

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.  
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 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, continued volatility in the world economy, challenges to 3G and Far East tenders and/or litigation with third parties. 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 and specific transactions), if the Company is unable to successfully integrate newly-acquired businesses, including Golden Telecom, 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  
Q&A Session  
Operational Overview  
Financial Overview  
Welcome Remarks  
will be joined by:



Nikolay  
Pryanishnikov,  
Executive VP, General Director, Russia  
Kent McNeley, CMO  
Jean-Pierre Vandromme,  
CEO of Golden Telecom  
Alexander Izosimov, CEO  
Elena Shmatova, CFO  
Alexander Izosimov, CEO

4  
2007 Financial Highlights  
Net Revenues, \$ mln  
Net Income, \$ mln  
OIBDA, \$ mln  
OIBDA Margin  
+47.3%

1,330  
2,113  
3,211  
4,868  
7,171  
2003  
2004  
2005  
2006  
2007  
*+46.7%*  
613  
1,027  
1,571  
2,452  
3,597  
2003  
2004  
2005  
2006  
2007  
*50.2%*  
*50.4%*  
*48.9%*  
*48.6%*  
*46.1%*  
2003  
2004  
2005  
2006  
2007  
*+80.2%*  
1,463  
811  
615  
350  
229  
2003  
2004  
2005  
2006  
2007

5  
Quarterly Financial Dynamics  
Net Revenues, \$ mln  
Net Income, \$ mln  
OIBDA, \$ mln  
OIBDA Margin  
+38.5%

1,359  
1,451  
1,488  
1,717  
1,956  
2,010  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
+86.0%  
368  
458  
359  
277  
198  
268  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
+33.1%  
918  
1,015  
897  
766  
690  
718  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
52.8%  
47.5%  
51.5%  
52.2%  
51.9%  
45.7%  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07

6
Stock Price Based Compensation Plans
Accruals and ADS Price
15,1
21,3
40,5
24,2

118,7  
27,8  
6,8  
3,2  
8,60  
9,16  
12,12  
15,79  
18,97  
21,07  
41,60  
27,04  
0  
20  
40  
60  
80  
100  
120  
140  
Q106  
Q206  
Q306  
Q406  
Q107  
Q207  
Q307  
Q407  
0  
5  
10  
15  
20  
25  
30  
35  
40

Accruals, (US\$ M)  
ADS price, (\$)

7  
Continuing Increase in Free Cash Flow  
804  
3,038  
1,971  
1,293  
-1,512



-1,773

-1,635

-1,242

-438

-342

1,265

459

2004

2005

2006

2007

Operating Cash Flow, \$ mln

CAPEX, \$ mln

Free Cash Flow, \$ mln

8

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)

Dec 31,'07

Dec 31,'06

Dec 31,'05

Cash and Cash Equivalents

1,004

344

364

Total Assets

10,569

8,437

6,307

Total Debt

2,767

2,489

1,998

-Short-term

527

424

421

-Long-term

2,240

2,065

1,577

Shareholders' Equity

5,412

3,943

2,741

LTM OIBDA\*

3,597

2,452

1,571

-

LTM Depreciation

and

amortization

1,391

1,055

593

-

LTM Operating

Income

2,206

1,397

978

LTM Interest

195

186

147

Debt/Assets

0.26

0.30

0.32

Net Debt

1,763

2,145

1,634

10.69

18.45

13.18

0.73

0.63

0.51

0.77

1.27

1.02

5.00

11.00

17.00

23.00

29.00

Dec 31, '05

Dec 31, '06

Dec 31, '07

-0.60

-0.40

-0.20

0.00

0.20

0.40

0.60

0.80

1.00

1.20

1.40

OIBDA LTM/Interest LTM

Debt/Equity

Debt/OIBDA LTM

9

Operating Highlights: Russia

MOU, min

ARPU, US\$

Active Subscriber Base, mln

Subscriber Market Share

\*

\*

)

Source: AC&M Consulting, based on registered subscriber numbers

38.8  
39.8  
38.6  
41.8  
42.2  
40.1  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
13.5  
13.4  
12.3  
10.9  
10.9  
10.6  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
152  
158  
161  
193  
209  
204  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
32%  
32%  
31%  
31%  
30%  
30%  
33%  
33%  
33%  
33%  
34%

34%  
19%  
19%  
20%  
20%  
21%  
21%  
16%  
15%  
15%  
16%  
16%  
16%  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
VimpelCom  
MTS  
MegaFon  
Others

10  
Financial Highlights: Russia  
Net Revenues, \$ mln  
OIBDA, \$ mln  
CAPEX, \$ mln  
CAPEX / Revenue, LTM  
+32.8%



1,701  
1,652  
1,459  
1,278  
1,281  
1,228  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
+19.9%  
773  
871  
780  
676  
645  
666  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
467  
217  
189  
200  
380  
226  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
17.6%  
17.4%  
19.0%  
22.9%  
23.9%  
32.5%  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07

11  
Sources of Year-on-Year Growth  
Net Revenue Growth, \$ mln  
OIBDA Growth, \$ mln  
Subscriber  
Growth, 000  
7,171

4,868  
468  
613  
1,081  
6,090  
4,400  
1,690  
2006  
Russia  
CIS  
2007  
3,597  
2,452  
2,304  
148  
348  
496  
797  
3,101  
2006  
Russia  
CIS  
2007  
51,740  
45,548  
39,783  
5,765  
9,519  
42,221  
2,438  
3,754  
2006  
Russia  
CIS  
2007  
Russia  
CIS

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

Subscriber Market Share

\*

\*

)

Source: AC&M Consulting, based on registered subscriber numbers

3.5

3.9

4.6

3.1

2.6

4.3

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

4Q 07

13.0

13.6

14.4

13.8

12.2

13.6

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

4Q 07

88

78

72

89

99

113

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

4Q 07

5%

5%

49%

50%

47%

47%

46%

49%

45%

46%  
48%  
47%  
47%  
46%  
5%  
5%  
7%  
6%  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
VIP  
K'Cell  
Others

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

96  
41  
46  
31  
49  
55  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
64.2%  
50.2%  
41.2%  
37.3%  
30.5%  
35.2%  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
+157.9%  
92  
88  
80  
62  
36  
49  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
+54.7%  
174  
166  
149  
119  
112  
104  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07



14  
Operating Highlights: Ukraine  
Active Subscriber Base, mln  
ARPU  
(US\$)  
Subscriber Market Share  
\*

MOU,  
min  
\*  
)

Source: AC&M Consulting , based on registered subscriber numbers

0.8  
1.5  
2.0  
1.8  
1.9  
2.2  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
6.7  
4.2  
3.0  
4.2  
5.8  
5.6  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
168  
168  
160  
138  
149  
183  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
5%  
4%  
2%  
5%  
5%  
5%  
43%  
43%  
44%

43%

42%

43%

41%

41%

40%

39%

36%

37%

16%

14%

12%

11%

11%

12%

1%

1%

1%

1%

1%

1%

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

4Q 07

VIP

Kyivstar

UMC (MTS)

Astelit

Others

15  
Financial Highlights: Ukraine  
Net Revenues, \$ mln  
OIBDA, \$ mln  
CAPEX, \$  
mln  
CAPEX / Revenue, LTM

-6.1  
-10.5  
-6.5  
-3.1  
6.5  
3.6  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
55  
26  
46  
29  
56  
78  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
682%  
599%  
461%  
326%  
176%  
148%  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
+114.5%  
11.5  
14.3  
15.7  
22.7  
36.3  
30.7  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07

16  
Operating Highlights: Uzbekistan  
Active Subscriber Base, mln  
ARPU (US\$)  
MOU,  
min  
Subscriber Market Share

\*

\*

)

Source: AC&M Consulting , based on registered subscriber numbers

0.5

0.7

1.2

1.1

2.1

1.6

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

4Q 07

11.8

9.8

6.8

6.7

7.2

7.6

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

4Q 07

283

305

269

242

266

290

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

4Q 07

33%

37%

36%

25%

27%

33%

52%

48%

50%

50%

51%

54%

13%

14%

9%

11%

11%

12%

3%

3%

4%

4%

8%

12%

3Q 06

4Q 06

1Q 07

2Q 07

3Q 07

4Q 07

VIP

Uzdunrobita

Coscom

Other



17  
Financial Highlights: Uzbekistan  
Net Revenues, \$ mln  
OIBDA, \$ mln  
CAPEX,  
\$ mln  
CAPEX / Revenue, LTM

41  
24  
19  
8  
20  
15  
43  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
86%  
63%  
81%  
82%  
85%  
82%  
126%  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
\* In 4Q 2007 \$43 million was paid for 3G license and numbering capacity  
\*  
\*\*  
\*\* Organic CAPEX/Revenue ratio excluding payments for numbering capacity and 3G licenses  
+130.2%  
15.7  
15.8  
18.0  
23.1  
29.9  
36.4  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
+127.2%  
9.5  
7.8  
8.7  
11.4

16.9  
17.8  
3Q 06  
4Q 06  
1Q 07  
2Q 07  
3Q 07  
4Q 07

18

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

Active Subscriber Base, mln

0.6

0.6

0.4

0.4

0.6

0.6

0.6

0.4

0.4

0.5

4Q 06\*

1Q 07

2Q 07

3Q 07

4Q 07

Fixed subscribers

Mobile active subscribers

17.4

17.6

17.3

14.5

17.0

18.5

18.8

19.3

20.4

19.6

4Q 06\*

1Q 07

2Q 07

3Q 07

4Q 07

Mobile ARPU active base

Fixed ARPU

44

21

20

5

9

4Q 06\*

1Q 07

2Q 07

3Q 07

4Q 07

54.0

58.3  
63.3  
59.4  
27.4  
19.8  
37.6  
36.3  
16.9  
34.2  
35.2  
25.7  
23.1  
10.5  
23.1  
4Q 06\*  
1Q 07  
2Q 07  
3Q 07  
4Q 07  
Fixed revenue  
Mobile revenue

19

Operating and Financial Highlights:

Georgia and Tajikistan

Georgia

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

Almost tripled revenues and number of active subscribers in Q4 compared to Q3

Focus on roll-out and distribution network development  
Tajikistan

Revenues increased 10 times compared to Q4 2006

Number of active subscribers increased by almost 5 times versus year end 2006

Subscriber market share increased to 18% from 7% a year ago



20

Strategy Going Forward

Drive operations and investment efficiency

Re-balance focus from speed to efficiency and enhance cost transparency as markets mature

Avoid head-count growth in mature operations

Drive procurement excellence

Optimize CAPEX decisions at a granular level and continuously improve marketing spend efficiency  
Build and sustain strong management capabilities

Offer an open and transparent, meritocracy-based environment

Use a global approach to hiring

Develop best-in-class individual development and coaching mechanisms

Ensure competitive, performance-based compensation packages

Grow ARPUs and customer loyalty  
through pricing excellence and new  
VAS

Strengthen corporate segment

Develop strong, situation-specific  
value propositions in local markets

Explore consolidation opportunities  
Extract maximum value in the  
Extract maximum value in the  
Russian business  
Russian business

Focus on subscriber growth

Leverage unified business platform  
developed in Russia

Pursue acquisitions in remaining markets  
Grow the business in the CIS  
Grow the business in the CIS

Opportunistically explore deals outside  
of the CIS

Develop business in backbone  
wholesale and residential broadband

Build new digital service businesses,  
including media, mobile TV, payment  
services, etc.

Explore new technologies and business  
platforms

Capture attractive opportunities to  
Capture attractive opportunities to  
expand into new business areas  
expand into new business areas

21  
Golden Telecom: A Perfect Fit  
Customer  
focus  
Product  
focus  
Geography

Consumer  
Corporate  
Mobile  
voice  
and data  
Fixed voice  
and data,  
broadband,  
wholesale  
Russia,  
CIS  
Russia,  
CIS  
Infrastructure  
Transport  
network  
Access  
Bundling opportunities anticipated  
Significant cost synergies and investment  
savings expected  
Introduce convergent products  
Overlapping geographies allow for creation of  
the leading pan-CIS integrated operator  
Enhance VimpelCom operations in Ukraine  
Scale synergies from combining networks  
Enhance Golden Telecom's wholesale  
operations  
Generate additional revenues from FTTB local  
access network  
Enable customer growth in both corporate and  
residential sectors  
Create cross-selling opportunities

22

Summary

Continued strong growth of business and solid financial performance

ARPU expansion trend in Russia continues, driven by increase in usage

Increased scope and profitability of operations in the CIS countries outside of Russia

Strategic evolution towards a leading integrated  
telecom operator

23

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

25

Moldova

Population: 3.9 mln.

Penetration 44%

GDP\* 2,200

Moldova

Population: 3.9 mln.

Penetration 44%

GDP\* 2,200

Armenia

Population: 3.2 mln.

Acquired: Nov. 2006

Penetration 59%

GDP\* 5,700

Armenia

Population: 3.2 mln.

Acquired: Nov. 2006

Penetration 59%

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 120%

GDP\* 6,900

Ukraine

Population: 46.5 mln.

Acquired: Nov. 2005

Penetration 120%

GDP\* 6,900

Georgia

Population: 4.5 mln.

Acquired: Jul. 2006

Penetration 56%

GDP\* 4,200

Georgia

Population: 4.5 mln.

Acquired: Jul. 2006

Penetration 56%

GDP\* 4,200

Azerbaijan

Population: 8.5 mln.

Penetration 51%

GDP\* 9,000

Azerbaijan

Population: 8.5 mln.

Penetration 51%

GDP\* 9,000

Turkmenistan

Population: 6.7 mln.

Penetration 6%

GDP\* 9,200

Turkmenistan



Population: 6.7 mln.

Penetration 6%

GDP\* 9,200

Uzbekistan

Population: 26.7 mln.

Acquired: Jan. 2006

Penetration 22%

GDP\* 2,200

Uzbekistan

Population: 26.7 mln.

Acquired: Jan. 2006

Penetration 22%

GDP\* 2,200

Tajikistan

Population: 7.1 mln.

Acquired: Dec. 2005

Penetration 30%

GDP\* 1,600

Tajikistan

Population: 7.1 mln.

Acquired: Dec. 2005

Penetration 30%

GDP\* 1,600

Kyrgyzstan

Population: 5.2 mln.

Penetration 40%

GDP\* 2,000

Kyrgyzstan

Population: 5.2 mln.

Penetration 40%

GDP\* 2,000

Kazakhstan

Population: 15.4 mln.

Acquired: Sept. 2004

Penetration 83%

GDP\* 11,100

Kazakhstan

Population: 15.4 mln.

Acquired: Sept. 2004

Penetration 83%

GDP\* 11,100

\*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 73%

GDP\* 10,200

Belarus

Population: 9.7 mln.

Penetration 73%

GDP\* 10,200

Russia

Population: 142.2 mln.

Penetration 122%

GDP\* 14,600

Russia

Population: 142.2 mln.

Penetration 122%

GDP\* 14,600

Russia

Russia

2G license only

2G license only

3G license only

3G license only

26  
FOREX Development  
Currency  
5.9%  
5.9%  
14.1%  
14.1%

-3.9%  
-3.9%  
-1.4%  
-1.4%  
0.0%  
0.0%  
5.5%  
5.5%  
7.2%  
7.2%  
Change from Q4 06  
2.5%  
2.5%  
6.1%  
6.1%  
-1.0%  
-1.0%  
-0.4%  
-0.4%  
0.0%  
0.0%  
2.0%  
2.0%  
3.4%  
3.4%  
Change from Q3 07  
Average quarterly FX rate to US\$  
7.2%  
7.2%  
GEL  
Change from 2006  
16.3%  
16.3%  
AMD  
-4.0%  
-4.0%  
UZS  
-1.1%  
-1.1%  
TJS  
0.0%  
0.0%  
UAH  
5.3%  
5.3%  
KZT  
6.8%  
6.8%  
RUB  
Closing

FX rate to US\$

\*) Source: Prime TASS, National Banks of the CIS countries











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

28  
Reconciliation of OIBDA and OIBDA Margin  
(Unaudited)  
(\$'000)  
Dec 31,  
2007  
Sept 30,

2007  
 June 30,  
 2007  
 March 31,  
 2007  
 Dec 31,  
 2006  
 Sept 30,  
 2006  
 OIBDA  
 918,410  
 1,015,158  
 896,758  
 766,417  
 689,825  
 717,796  
 Depreciation  
 (331,725)  
 (285,572)  
 (285,365)  
 (269,172)  
 (265,086)  
 (243,593)  
 Amortization  
 (56,040)  
 (55,583)  
 (53,807)  
 (53,289)  
 (50,095)  
 (45,648)  
 Operating Income  
 530,645  
 674,003  
 557,586  
 443,956  
 374,644  
 428,555  
 OIBDA margin  
 45.7%  
 51.9%  
 52.2%  
 51.5%  
 47.5%  
 52.8%  
 Less: Depreciation as % of net  
 operating revenues  
 (16.5%)  
 (14.6%)  
 (16.6%)  
 (18.1%)

(18.3%)

(17.9%)

Less: Amortization as % of net  
operating revenues

(2.8%)

(2.8%)

(3.1%)

(3.6%)

(3.4%)

(3.4%)

Operating Income

26.4%

34.5%

32.5%

29.8%

25.8%

31.5%

Reconciliation of OIBDA margin to operating income as percentage  
of

net operating revenue

Three

months

ended

Reconciliation

of

OIBDA

to

operating

income

29  
Reconciliation of OIBDA and OIBDA Margin  
Annual (Unaudited)  
(\$'000)  
Dec 31,  
2007  
Dec 31,

2006	
Dec 31,	
2005	
Dec 31,	
2004	
Dec 31,	
2003	
OIBDA	
3,596,743	
2,451,783	
1,571,310	
1,026,721	
613,230	
Impairment loss	
0	
0	
0	
(7,354)	
0	
Depreciation	
(1,171,834)	
(874,618)	
(451,152)	
(281,129)	
(162,769)	
Amortization	
(218,719)	
(179,846)	
(142,126)	
(64,072)	
(34,064)	
Operating Income	
2,206,190	
1,397,319	
978,032	
674,166	
416,397	
OIBDA margin	
50.2%	
50.4%	
48.9%	
48.6%	
46.1%	
Less: Impairment loss	
0	
0	
0	
(0.3%)	
0	
Less: Depreciation as % of net	

operating revenues

(16.3%)

(18.0%)

(14.0%)

(13.4%)

(12.2%)

Less: Amortization as % of net

operating revenues

(3.1%)

(3.7%)

(4.4%)

(3.0%)

(2.6%)

Operating Income

30.8%

28.7%

30.5%

31.9%

31.3%

Reconciliation

of

OIBDA

margin

to

operating

income

as

percentage

of

net

operating

revenue

Reconciliation

of

OIBDA

to

operating

income

Year

Ended



30  
Reconciliation of OIBDA and ARPU  
in Russia (Unaudited)  
(\$'000)  
Dec 31,  
2007  
Sept 30,

2007  
June 30,  
2007  
March 31,  
2007  
Dec 31,  
2006  
Sept 30,  
2006  
OIBDA  
773,338  
871,163  
779,828  
676,476  
645,144  
666,354  
Depreciation  
(269,036)  
(249,781)  
(240,387)  
(232,681)  
(229,544)  
(221,973)  
Amortization  
(30,602)  
(29,470)  
(28,478)  
(28,536)  
(27,091)  
(26,429)  
Operating Income  
473,700  
591,912  
510,963  
415,259  
388,509  
417,952  
Service revenue and  
connection fees  
1,697,465  
1,650,358  
1,457,896  
1,276,754  
1,276,276  
1,223,681  
Less: Connection fees  
386  
184  
164  
169

308  
410  
Less: Revenue from rent of  
fiber-optic channels  
1,546  
1,003  
983  
964  
433  
760  
Service revenue used to  
calculate ARPU  
1,695,533  
1,649,171  
1,456,749  
1,275,621  
1,275,535  
1,222,511  
Average number of active  
subscribers ('000)  
41,881  
40,933  
39,359  
39,021  
39,102  
38,365  
ARPU (US\$)  
13.5  
13.4  
12.3  
10.9  
10.9  
10.6  
Reconciliation of OIBDA to operating income  
Reconciliation of ARPU to service revenue and connection fees  
Three months ended

31  
Reconciliation of OIBDA and ARPU  
in Kazakhstan (Unaudited)  
(\$'000)  
Dec 31,  
2007  
Sept 30,

2007	
June 30,	
2007	
March 31,	
2007	
Dec 31,	
2006	
Sept 30,	
2006	
OIBDA	
92,171	
88,127	
80,317	
62,007	
35,744	
49,023	
Depreciation	
(20,139)	
(14,983)	
(17,537)	
(15,817)	
(21,142)	
(17,981)	
Amortization	
(9,673)	
(9,091)	
(9,419)	
(9,154)	
(9,134)	
(9,550)	
Operating Income	
62,359	
64,053	
53,361	
37,036	
5,468	
21,492	
Service revenue and connection fees	
174,624	
167,122	
149,326	
119,399	
112,963	
104,208	
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

174,624

167,122

149,326

119,399

112,963

104,208

Average number of active  
subscribers ('000)

4,468

4,107

3,655

3,271

2,728

2,412

ARPU (US\$)

13.0

13.6

13.6

12.2

13.8

14.4

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

Reconciliation of OIBDA to operating income

32  
Reconciliation of OIBDA and ARPU in  
Ukraine (Unaudited)  
(\$'000)  
Dec 31,  
2007  
Sept 30,

2007  
June 30,  
2007  
March 31,  
2007  
Dec 31,  
2006  
Sept 30,  
2006  
OIBDA  
3,643  
6,455  
(3,073)  
(6,518)  
(10,546)  
(6,072)  
Depreciation  
(13,036)  
(4,417)  
(4,330)  
(3,203)  
(4,325)  
(1,218)  
Amortization  
(3,096)  
(5,210)  
(5,234)  
(5,210)  
(5,722)  
(5,232)  
Operating Income  
(12,489)  
(3,172)  
(12,637)  
(14,931)  
(20,593)  
(12,522)  
Service revenue and  
connection fees  
34,095  
36,523  
23,436  
16,158  
14,652  
12,320  
Less: Connection fees  
0  
112  
36  
5



5  
3  
Less: Revenue from rent of fiber-  
optic channels  
0  
0  
0  
0  
0  
0  
0  
Service revenue used to  
calculate ARPU  
34,095  
36,411  
23,400  
16,153  
14,647  
12,317  
Average number of active subscribers  
(‘000)  
2,037  
2,081  
1,847  
1,781  
1,170  
611  
ARPU (US\$)  
5.6  
5.8  
4.2  
3.0  
4.2  
6.7  
Three months ended  
Reconciliation  
of  
OIBDA  
to  
operating  
income  
Reconciliation  
of  
ARPU  
to  
service  
revenue  
and  
connection  
fees

33  
Reconciliation of OIBDA and ARPU in  
Uzbekistan (Unaudited)  
(\$'000)  
Dec 31,  
2007  
Sept 30,

2007  
June 30,  
2007  
March 31,  
2007  
Dec 31,  
2006  
Sept 30,  
2006  
OIBDA  
17,756  
16,923  
11,388  
8,664  
7,815  
9,532  
Depreciation  
(5,088)  
(4,011)  
(3,312)  
(3,097)  
(2,720)  
(2,380)  
Amortization  
(3,480)  
(3,438)  
(3,414)  
(3,383)  
(3,378)  
(3,268)  
Operating Income  
9,188  
9,474  
4,662  
2,184  
1,717  
3,884  
Service revenue and  
connection fees  
37,769  
31,159  
24,009  
18,778  
16,446  
16,279  
Less: Connection fees  
0  
0  
0  
0

0  
0  
Less: Revenue from rent of fiber-  
optic channels  
0  
0  
0  
0  
0  
0  
0  
Service revenue used to  
calculate ARPU  
37,769  
31,159  
24,009  
18,778  
16,446  
16,279  
Average number of active subscribers  
(‘000)  
1,847  
1,372  
1,109  
930  
558  
458  
ARPU (US\$)  
6.8  
7.6  
7.2  
6.7  
9.8  
11.8  
Reconciliation of ARPU to service revenue and connection fees  
Three months ended  
Reconciliation of OIBDA to operating income

34  
Reconciliation of ARPU in Armenia  
(Unaudited)  
(\$'000)  
Dec 31,  
2007  
Sept 30,

2007  
 June 30,  
 2007  
 March 31,  
 2007  
 Dec 31,  
 2006  
 Dec 31,  
 2007  
 Sept 30,  
 2007  
 June 30,  
 2007  
 March 31,  
 2007  
 Dec 31,  
 2006  
 Service revenue and  
 connection fees  
 23,290  
 25,623  
 23,208  
 19,912  
 10,451  
 36,299  
 37,551  
 35,214  
 34,242  
 16,922  
 Less: Connection fees  
 66  
 64  
 19  
 129  
 0  
 (271)  
 88  
 55  
 0  
 0  
 Less: Revenue from rent  
 of fiber-optic channels  
 0  
 0  
 0  
 0  
 0  
 -  
 -  
 -

-

-

Service revenue used  
to calculate ARPU

23,224

25,559

23,189

19,783

10,451

36,570

37,463

35,159

34,242

16,922

Average number of active  
subscribers ('000)

444

483

446

456

409

622

611

608

607

609

ARPU (US\$)

17.4

17.6

17.3

14.5

17.0

19.6

20.4

19.3

18.8

18.5

Reconciliation of ARPU to service revenue and connection fees

Three Months Ended

MOBILE

FIXED

35

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 revenue 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 accrued capital expenditures before acquisitions

**Average quarterly FX rate to US\$**

for the CIS countries is calculated as the sum of average exchange rates for each month within a quarter divided by three months