

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS  
Form 6-K  
May 25, 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 May 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)

Date: May 25, 2007

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

General Director

**FOR IMMEDIATE RELEASE**

**VIMPELCOM ANNOUNCES FIRST QUARTER 2007**

**FINANCIAL AND OPERATING RESULTS**

**Moscow and New York (May 25, 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 ended March 31, 2007.

**Financial and Operating Highlights**

Net operating revenues reached \$1,488.0 million in the first quarter, a year-on-year increase of 59.0% and a quarter-on-quarter increase of 2.5%.

OIBDA reached \$766.4 million, a year-on-year increase of 58.8%.

OIBDA margin was 52.9% in Russia and 51.5% for the Company.

Net income totaled \$277.3 million, a year-on-year increase of 84.6%.

Operating cash flow was \$655.9 million, a year-on-year increase of 81.2%.

ARPU was unchanged in Russia as compared with the previous quarter.

Market share exceeded 50% in Kazakhstan.

Commenting on today's announcement, Alexander Izosimov, Chief Executive Officer of VimpelCom, said, "Our first quarter results were very strong with revenue, OIBDA, net income and cash flow all at record levels. We reported almost 60% year-on-year growth in revenue and OIBDA and almost 85% year-on-year growth in net income which is a remarkable achievement for a company of VimpelCom's size."

On a sequential, quarter-on-quarter basis, our results were also very encouraging. Although the first quarter is the seasonally weakest quarter for revenue, we reported both revenue growth and substantially improved margins. It is a very good start to what we hope will become another successful year.

**Changes in definitions and reported data**

The Company believes that active subscriber base data and the corresponding MOU and ARPU more accurately reflect the trends and competitive positions of the business. Accordingly, beginning with this press release, the relevant operating and financial results (*i.e.*, number of subscribers, ARPU and MOU) are reported on the basis of active subscribers.

The only exception is churn which we continue to calculate with regard to the registered subscriber base. Russian regulations require that telephone numbers should remain assigned to inactive subscribers for a period of six months. For uniformity, we will also use this approach in the countries of the CIS. Starting from this

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report we will publish churn numbers separately for each country where we have operated for more than one year.

For convenience, we will continue to report the registered subscriber base and the related figures, which are now defined as  $MOU_{REG}$  and  $ARPU_{REG}$ , for comparable periods (see Attachment A for the 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 reference data.

**Key Consolidated Financial and Operating Results**

			Three months		Change,	
	1Q2007	1Q2006	1Q07/1Q06	4Q2006	1Q07/4Q06	
Active subscribers	45,784,400	40,025,100	14.4%	45,547,700	0.5%	
Fixed line subscribers	607,400	na		608,500	-0.2%	
Net operating revenues (US\$,000)	1,488,047	936,167	59.0%	1,451,412	2.5%	
OIBDA (US\$, 000)	766,417	482,607	58.8%	689,825	11.1%	
OIBDA margin	51.5%	51.6%		47.5%		
Gross margin (US\$, 000)	1,220,993	768,298	58.9%	1,179,453	3.5%	
Gross margin percentage	82.1%	82.1%		81.3%		
SG&A (US\$, 000)	439,467	282,925	55.3%	478,423	-8.1%	
SG&A percentage	29.5%	30.2%		33.0%		
Net income (US\$, 000)	277,275	150,223	84.6%	197,950	40.1%	
Net income per share (US\$)	5.45	2.94		3.89		
Net income per ADS (US\$)	1.36	0.74		0.97		

In the first quarter of 2007, VimpelCom invested approximately \$303.5 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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**RUSSIA**

	1Q2007	1Q2006	Three months Change, 1Q07/1Q06	4Q2006	Change, 1Q07/4Q06
Net operating revenues <sup>*)</sup> (million US\$)	1,278.4	871.0	46.8%	1,280.8	-0.2%
including interconnect revenue	170.7	46.8	264.7%	167.8	1.7%
OIBDA (million US\$)	676.5	462.3	46.3%	645.1	4.9%
OIBDA margin	52.9%	53.1%		50.3%	
Gross margin (million US\$)	1064.5	725.4	46.7%	1061.1	0.3%
Gross margin percentage	83.2%	83.3%		82.8%	
SG&A (million US\$)	374.8	260.4	43.9%	406.6	-7.8%
SG&A percentage	29.3%	29.9%		31.7%	
Net income (million US\$)	280.4	155.0	80.9%	222.2	26.2%
ARPU, (US\$)	10.9	7.8	39.7%	10.9	0.0%
MOU, (min)	160.9	132.0	21.9%	157.9	1.9%
SAC (US\$)	22.1	13.9	59.0%	21.8	1.4%
Active subscribers	38,631,100	37,373,400	3.4%	39,782,700	-2.9%
Churn	8.6%	8.7%		10.0%	
Subscriber market share <sup>**)</sup>	31.2%	33.9%		31.7%	

<sup>\*)</sup> Excluding inter-company transactions.

<sup>\*\*)</sup> Subscriber market share data presented here and in the following country tables are published by independent organizations and are generally based on registered subscribers.

In Russia, a favorable business environment and conservative pricing resulted in essentially flat revenue in the first quarter of 2007 versus the fourth quarter of 2006. Stable revenue underscores the robustness of the Russian market as it was delivered in a seasonally weak quarter.

In January 2007, we tightened our definition of active subscribers excluding those who were included in the active base due only to a technical transaction. It was a one-time correction, and we believe it more correctly reflects the size of our base. As a result, our active subscriber base declined sequentially by 2.9%, somewhat supporting our ARPU which stayed flat. [To note, our ARPU<sub>REG</sub> also remained essentially flat on a sequential quarterly basis.]

Selling, general and administrative expenses (SG&A) as a percentage of net operating revenues improved on a sequential quarterly basis from 31.7% to 29.3% primarily due to a seasonal reduction in sales and marketing expenses. On a year-on-year basis it also improved, as compared with 29.9% reported for the first quarter of 2006. This improvement reflects the growing efficiency of our business and the increased scale of operations during the past 12 months.

The above-mentioned factors resulted in substantial improvements in the margins in the first quarter of 2007 as compared with the fourth quarter of 2006.

In the first quarter of 2007, VimpelCom invested approximately \$199.5 million for the purchase of long-lived assets in Russia.

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**KAZAKHSTAN**

			Three months Change,		Change, 1Q07/4Q06
	1Q2007	1Q2006	1Q07/1Q06	4Q2006	
Net operating revenues <sup>*)</sup> (million US\$)	118.9	54.0	120.2%	112.4	5.8%
including interconnect revenue	20.5	12.2	68.0%	26.3	-22.1%
OIBDA (million US\$)	62.0	21.9	183.1%	35.7	73.7%
OIBDA margin	51.9%	40.3%		31.6%	
Gross margin (million US\$)	88.2	35.5	148.5%	77.3	14.1%
Gross margin percentage	73.9%	65.3%		68.4%	
SG&A (million US\$)	25.4	13.5	88.1%	40.2	-36.8%
SG&A percentage	21.3%	24.8%		35.6%	
Net income <sup>**)</sup> (million US\$)	13.1	3.9	235.9%	-4.4	
ARPU, (US\$)	12.2	8.8	38.6%	13.8	-11.6%
MOU, (min)	72.3	44.8	61.4%	78.0	-7.3%
SAC (US\$)	9.0	6.1	47.5%	8.8	2.3%
Active subscribers	3,501,300	2,123,100	64.9%	3,052,900	14.7%
Churn	5.5%	6.9%		6.1%	
Subscriber market share	50.2%	40.6%		49.5%	

<sup>\*)</sup> Excluding inter-company transactions.

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

In the first quarter of 2007, the Company continued the successful development of its Kazakhstan operations. We achieved triple-digit year-on-year growth in net operating revenues, OIBDA and net income. These figures also grew as compared with the fourth quarter of 2006 in spite of a modest seasonal decline in MOU and ARPU. Our market share reached a new high of 50.2% in an environment of increased activity by the third competitor.

Our gross margin was positively impacted by the change in interconnect accounting when 10 second rounding was introduced by the regulator. This change and seasonal reduction in SG&A expenses as compared with the previous quarter resulted in great improvements in margins, leading the OIBDA margin to 51.9%, the highest ever recorded by the Company in Kazakhstan.

During the first quarter of 2007 the tenge, the Kazakh currency, strengthened against the US dollar from 127.0 tenge per \$1 to 123.8 tenge per \$1. This strengthening resulted in a net foreign exchange gain of \$10.5 million reflected in net income.

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**UKRAINE**

	1Q2007	1Q2006	Three months Change,		Change, 1Q07/4Q06
			1Q07/1Q06	4Q2006	
Net operating revenues <sup>*)</sup> (US\$, million)	15.7	2.1	647.6%	14.3	9.8%
including interconnect revenue	5.4	0.7	671.4%	4.5	20.0%
OIBDA (million US\$)	-6.5	-6.8		-10.5	
Gross margin (million US\$)	9.5	-0.4		7.3	30.1%
Gross margin percentage	58.3%	-19.0%		49.3%	
SG&A (million US\$)	16.0	6.4	150.0%	17.6	-9.1%
SG&A percentage	98.2%	304.8%		118.9%	
Net income (million US\$)	-18.4	-9.5		-21.5	
ARPU, (US\$)	3.0	3.4	-11.8%	4.2	-28.6%
MOU, (min)	138.0	60.8	127.0%	149.1	-7.4%
SAC (US\$)	8.9	30.1	-70.4%	6.6	34.8%
Active subscribers	1,953,200	144,000	1256.4%	1,523,700	28.2%
Subscriber market share	4.5%	0.8%		3.8%	

<sup>\*)</sup> Excluding inter-company transactions.

The Company improved its position in Ukraine in the first quarter of 2007. Our market share grew from 3.8% to 4.5%, as our incremental market share (IMS) for the first quarter was more than 20%. In fact, our IMS grew in each month of the quarter and reached almost 45% in March. This indicates very good momentum in subscriber growth.

As compared with the previous quarter, we increased our active subscriber base by approximately 28.2% and net operating revenues by 9.8%. Gross margin was better than in the previous quarter and OIBDA, though still negative, is improving as well. Thus, the Company is making progress in Ukraine despite further deterioration of the difficult pricing environment that began in the fourth quarter of 2006. Our focus in Ukraine remains on building our subscriber base and growing market share, while striving towards breakeven OIBDA.

**UZBEKISTAN**

	1Q2007	1Q2006	Three months Change,		Change, 1Q07/4Q06
			1Q07/1Q06	4Q2006	
Net operating revenues <sup>*)</sup> (million US\$)	18.0	8.9	102.2%	15.8	13.9%
OIBDA (million US\$)	8.7	5.2	67.3%	7.8	11.5%
OIBDA margin	47.7%	58.6%		49.1%	
Gross margin (million US\$)	15.2	7.7	97.4%	13.9	9.4%
Gross margin percentage	83.5%	86.8%		87.1%	
SG&A (million US\$)	6.4	2.5	156.0%	5.9	8.5%
SG&A percentage	35.5%	27.8%		37.3%	
Net income (million US\$)	2.5	1.0	150.0%	0.4	525.0%
ARPU, (US\$)	6.7	16.6	-59.6%	9.8	-31.6%
MOU, (min)	242.2	453.5	-46.6%	268.8	-9.9%
SAC (US\$)	3.7	20.6	-82.0%	5.8	-36.2%
Active subscribers	1,106,300	374,000	195.8%	700,500	57.9%

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Subscriber market share	33.9%	31.5%	28.2%
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\*) Excluding inter-company transactions.

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The Company made good progress in Uzbekistan in the first quarter of 2007. The number of active subscribers during the quarter grew by 57.9% in the first quarter of 2007 as compared to the fourth quarter of 2006. On a quarter-on-quarter and year-on-year basis, net operating revenues, OIBDA and net income grew while MOU and ARPU declined. ARPU in the first quarter declined due partially to seasonality, but also reflecting the impact of promotional pricing in this rapidly growing market.

Our key priorities in Uzbekistan are subscriber growth and network and infrastructure build-out, as the penetration rate in the country is still less than 15%.

**TAJIKISTAN**

			Three months Change,		Change, 1Q07/4Q06
	1Q2007	1Q2006	1Q07/1Q06	4Q2006	
Net operating revenues <sup>*)</sup> (million US\$)	2.85	0.18	1483.3%	0.80	256.3%
including interconnect revenue	0.21	0.00		0.07	200.0%
OIBDA (million US\$)	-0.34	-0.05		-1.11	
Gross margin (million US\$)	1.55	0.10	1450.0%	0.37	318.9%
Gross margin percentage	54.2%	55.6%		45.1%	
SG&A (million US\$)	1.89	0.15	1160.0%	1.48	27.7%
SG&A percentage	66.1%	83.3%		180.5%	
Net income <sup>**)</sup> (million US\$)	-1.00	-0.20		-1.11	
ARPU, (US\$)	8.7	5.1	70.6%	9.0	-3.3%
MOU, (min)	205.8	39.2	425.0%	187.9	9.5%
SAC (US\$)	9.0	19.0	-52.6%	2.5	260.0%
Active subscribers	145,300	10,700	1257.9%	72,000	101.8%
Subscriber market share	14.8%	9.5%		8.9%	

<sup>\*)</sup> Excluding inter-company transactions.

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

The explosive growth in Tajikistan which started in the fourth quarter of 2006 following the launch of the Beeline brand continued through the first quarter of 2007. The Company again reported triple-digit sequential growth in the number of active subscribers and net operating revenues. Market share growth in the first quarter of 2007 was also substantial, as it increased by approximately 6 percentage points.

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**NEW OPERATIONS**

	Three months		Change, 1Q07/4Q06
	1Q 2007	4Q 2006**)	
<b>ARMENIA</b>			
Net operating revenues <sup>*)</sup> (million US\$)	54.07	27.37	97.6%
including mobile revenues	19.83	10.45	89.8%
including fixed revenues	34.24	16.92	102.4%
including interconnect revenues	11.97	0.00	
OIBDA (million US\$)	27.31	13.29	105.5%
OIBDA margin	50.4%	48.6%	
Net income <sup>***)</sup> (million US\$)	2.55	2.93	-13.0%
Mobile active subscribers	439,900	416,000	5.7%
ARPU, (US\$)	14.5	17.0	-14.7%
MOU, (min)	141.3	178.0	-20.6%
Mobile subscriber market share	37.3%	38.2%	
Fixed subscribers	607,400	608,500	-0.2%
ARPU fixed (US\$)	18.8	18.5	1.6%
Total assets (million US\$)	624.8	622.6	0.4%

<sup>\*)</sup> Excluding inter-company transactions.

<sup>\*\*)</sup> Figures in this column represent the results of operations after November 16, 2006, i.e. only the second half of the fourth quarter of 2006.

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

VimpelCom completed the acquisition of 90% of Armentel on November 16, 2006 and the acquisition of the remaining 10% on April 18, 2007. We began to consolidate Armentel's results in our financial reporting from November 16, 2006. Therefore the first quarter of 2007 was the first full quarter of VimpelCom's operations in Armenia and we deferred a more detailed analysis of the results until next quarter.

Armentel operates both fixed-line and mobile networks. In Armenia, VimpelCom plans to enhance Armentel's position in the mobile market and continue to operate the fixed-line network, exploring fixed-to-mobile convergence opportunities.

VimpelCom acquired Mobitel, a Georgian GSM-1800 license holder, in July 2006. Since that time we have worked to organize our business in Georgia, build the network, infrastructure and distribution channels. The Company launched commercial operations on March 15, 2007.

The Company's management will discuss its first quarter results during a conference call and slide presentation on May 25, 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 June 1, 2007 and June 25, 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 .

*Although the first quarter 2007 U.S. GAAP financial statements were approved by the requisite majority of our*

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board, the three directors on our board who were nominated by our shareholder Telenor East Invest AS and who are officers of Telenor or its affiliates voted against approval.

*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, 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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**-Definitions and tables are attached**

**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 operating revenues.

**Each ADS** represents 0.25 of one share of common stock. This ratio was established effective November 22, 2004.

**ARPU** (Monthly Average Revenue per User), a non-U.S. GAAP financial measure, is calculated for each month in the relevant period by dividing the Company's service revenue during that month, 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 month. 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 for each month of the relevant period by dividing the total number of minutes of usage for incoming and outgoing calls during that month (excluding guest roamers) by the average number of active subscribers during the month.

$MOU_{REG}$  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<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. Market share data is published by consulting agencies specializing in the telecommunications industry in Russia and the CIS.**

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<sup>\*</sup>) *Dealers' bonus for exclusivity which, prior to the fourth quarter of 2006, we counted 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

	Three months ended March 31, 2007                      2006 <i>(In thousands of US dollars, except per share (ADS) amounts)</i>	
<b>Operating revenues:</b>		
Service revenues and connection fees	US\$ 1,486,192	US\$ 930,150
Sales of handsets and accessories	1,522	5,329
Other revenues	966	987
<b>Total operating revenues</b>	<b>1,488,680</b>	<b>936,466</b>
Revenue based tax	(633)	(299)
Net operating revenues	1,488,047	936,167
<b>Operating expenses:</b>		
Service costs	265,326	162,919
Cost of handsets and accessories sold	1,728	4,950
Selling, general and administrative expenses	439,467	282,925
Depreciation and amortization	322,461	212,049
Provision for doubtful accounts	15,109	2,766
Total operating expenses	1,044,091	665,609
<b>Operating income</b>	<b>443,956</b>	<b>270,558</b>
<b>Other income and expenses:</b>		
Interest income	4,652	1,392
Other income	2,177	2,104
Interest expense	(45,805)	(43,173)
Other expense	(12,991)	(4,577)
Net foreign exchange gain	16,729	5,579
Total other income and expenses	(35,238)	(38,675)
<b>Income before income taxes, minority interest</b>	<b>408,718</b>	<b>231,883</b>
Income tax expense	119,946	75,878
Minority interest in net earnings of subsidiaries	11,497	3,900
<b>Income before cumulative effect of change in accounting principle</b>	<b>US\$ 277,275</b>	<b>US\$ 152,105</b>
Cumulative effect of changes in accounting principle		(1,882)
<b>Net income</b>	<b>US\$ 277,275</b>	<b>US\$ 150,223</b>
<b>Net income per common share</b>	<b>US\$ 5.45</b>	<b>US\$ 2.94</b>
<b>Net income per ADS equivalent</b>	<b>US\$ 1.36</b>	<b>US\$ 0.74</b>
<b>Weighted average common shares outstanding (thousands)</b>	<b>50,892</b>	<b>51,032</b>





## Open Joint Stock Company Vimpel-Communications

## Unaudited Condensed Consolidated Balance Sheets

	March 31, 2007 (unaudited)	December 31, 2006
<i>(In thousands of US dollars)</i>		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	US\$ 738,554	US\$ 344,494
Trade accounts receivable	323,786	311,991
Other current assets	417,108	468,071
Total current assets	1,479,448	1,124,556
Non-current assets		
Property and equipment, net	4,706,226	4,615,675
Telecommunication licenses and allocation of frequencies, net	907,806	924,809
Goodwill	802,087	775,223
Other intangible assets, net	247,734	257,917
Other assets	736,247	738,366
Total non-current assets	7,400,100	7,311,990
<b>Total assets</b>	<b>US\$ 8,879,548</b>	<b>US\$ 8,436,546</b>
<b>Liabilities and shareholders equity</b>		
Current liabilities:		
Accounts payable	US\$ 564,068	US\$ 671,532
Due to related parties	628	421
Customer advances and deposits	279,064	314,375
Bank loans, current portion	367,435	358,211
Accrued liabilities	377,212	267,437
Total current liabilities	1,588,407	1,611,976
Deferred income taxes	512,425	528,025
Bank loans, less current portion	2,126,311	1,980,726
Equipment financing and other liabilities	109,801	115,050
Minority interest	270,211	257,859
Shareholders equity	4,272,393	3,942,910
<b>Total liabilities and shareholders equity</b>	<b>US\$ 8,879,548</b>	<b>US\$ 8,436,546</b>

## Open Joint Stock Company Vimpel-Communications

## Unaudited Condensed Consolidated Statements of Cash Flows

	Three months ended March 31,	
	2007	2006
	<i>(In thousands of US dollars)</i>	
<b>Net cash provided by operating activities</b>	<b>US\$ 655,865</b>	<b>US\$ 361,887</b>
Purchase of property and equipment	(325,676)	(207,688)
Purchase of intangible assets	(5,161)	(6,043)
Acquisition of subsidiaries, net of cash		(252,522)
Late payments of purchase price for Armentel and Tacom	(12,688)	
Purchase of other assets	(62,054)	(167,658)
<b>Net cash used in investing activities</b>	<b>(405,579)</b>	<b>(633,911)</b>
Proceeds from bank and other loans	228,594	253,606
Sale of treasury stock	8,087	989
Repayments of bank and other loans	(75,974)	(91,202)
Payments of fees in respect of bank loans and debt issues	(382)	(1,581)
Repayment of equipment financing obligations	(18,619)	(21,701)
<b>Net cash provided by financing activities</b>	<b>141,706</b>	<b>140,111</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>2,068</b>	<b>6,281</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>394,060</b>	<b>(125,632)</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>US\$ 738,554</b>	<b>US\$ 238,014</b>
<b>Supplemental cash flow information</b>		
<b>Cash paid during the period:</b>		
Income tax	US\$ 122,062	US\$ 57,074
Interest	25,813	27,898
<b>Non-cash activities:</b>		
Equipment acquired under financing agreements	17,102	
Accounts payable for equipment and license	140,413	149,749
Accrued debt and equity offering costs		480
<b>Acquisitions:</b>		
Fair value of assets acquired		150,021
Difference between the amount paid and the fair value of net assets acquired		154,061
Cash paid for the acquisition of subsidiaries		(260,974)
Liabilities assumed	US\$	US\$ (43,108)

## Attachment C. Reconciliation tables (Unaudited)

## CONSOLIDATED

## Reconciliation of OIBDA

*(In thousands of US dollars)*

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
<b>OIBDA</b>	<b>766,417</b>	<b>482,607</b>	<b>689,825</b>
Depreciation	(269,172)	(171,094)	(265,086)
Amortization	(53,289)	(40,955)	(50,095)
<b>Operating income</b>	<b>443,956</b>	<b>270,558</b>	<b>374,644</b>

## Reconciliation of OIBDA Margin

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
<b>OIBDA margin</b>	<b>51.5%</b>	<b>51.6%</b>	<b>47.5%</b>
Less: Depreciation as a percentage of net operating revenue	(18.1)%	(18.3)%	(18.3)%
Less: Amortization as a percentage of net operating revenue	(3.6)%	(4.4)%	(3.4)%
<b>Operating income as a percentage of net operating revenue</b>	<b>29.8%</b>	<b>28.9%</b>	<b>25.8%</b>

## RUSSIA

## Reconciliation of OIBDA in Russia

*(In thousands of US dollars)*

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
<b>OIBDA</b>	<b>676,476</b>	<b>462,337</b>	<b>645,144</b>
Depreciation	(232,681)	(161,936)	(229,544)
Amortization	(28,536)	(24,977)	(27,091)
<b>Operating income</b>	<b>415,259</b>	<b>275,424</b>	<b>388,509</b>

## Reconciliation of OIBDA Margin in Russia

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
<b>OIBDA margin</b>	<b>52.9%</b>	<b>53.1%</b>	<b>50.3%</b>
Less: Depreciation as a percentage of net operating revenue	(18.2)%	(18.6)%	(17.9)%
Less: Amortization as a percentage of net operating revenue	(2.2)%	(2.9)%	(2.1)%
<b>Operating income as a percentage of net operating revenue</b>	<b>32.5%</b>	<b>31.6%</b>	<b>30.3%</b>

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

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
Selling, general and administrative expenses	374,757	260,398	406,642
Less: General and administrative expenses	284,977	184,591	298,222
Sales and marketing expenses, <i>including advertising &amp; marketing expenses</i>	89,780	75,807	108,420
<i>dealers commission expense</i>	43,132	33,704	59,892
New gross subscribers, 000	4,056	5,459	4,971
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>22.1</b>	<b>13.9</b>	<b>21.8</b>

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

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
Service revenue and connection fees	1,276,754	864,767	1,276,276
Less: Connection fees	169	404	308
Less: Revenue from rent of fiber-optic channels	964	328	433
Service revenue used to calculate ARPU	1,275,621	864,035	1,275,535
Average number of registered subscribers, 000	47,974	43,919	47,541
<b>ARPU REG (US\$)</b>	<b>8.9</b>	<b>6.6</b>	<b>8.9</b>
Average number of active subscribers, 000	39,021	36,784	39,102
<b>ARPU (US\$)</b>	<b>10.9</b>	<b>7.8</b>	<b>10.9</b>

KAZAKHSTAN

**Reconciliation of OIBDA in Kazakhstan***(In thousands of US dollars)*

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
<b>OIBDA</b>	<b>62,007</b>	<b>21,907</b>	<b>35,744</b>
Depreciation	(15,817)	(7,672)	(21,142)
Amortization	(9,154)	(8,785)	(9,134)
<b>Operating income</b>	<b>37,036</b>	<b>5,450</b>	<b>5,468</b>

**Reconciliation of OIBDA Margin in Kazakhstan**

*(In thousands of US dollars)*

	March 31, 2007	Three months ended March 31, 2006	December 31, 2006
<b>OIBDA margin</b>	<b>51.9%</b>	<b>40.3%</b>	<b>31.6%</b>
Less: Depreciation as a percentage of net operating revenue	(13.2)%	(14.1)%	(18.7)%
Less: Amortization as a percentage of net operating revenue	(7.7)%	(16.2)%	(8.1)%
<b>Operating income as a percentage of net operating revenue</b>	<b>31.0%</b>	<b>10.0%</b>	<b>4.8%</b>

**Reconciliation of SAC in Kazakhstan**

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

	March 31, 2007	Three months ended March 31, 2006	December 31, 2006
Selling, general and administrative expenses	25,423	13,504	40,200
Less: General and administrative expenses	18,700	9,693	33,080
Sales and marketing expenses, <i>including</i>	6,723	3,811	7,120
<i>advertising &amp; marketing expenses</i>	3,895	1,768	4,419
<i>dealers' commission expense</i>	2,828	2,043	2,701
New gross subscribers, 000	744	623	809
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>9.0</b>	<b>6.1</b>	<b>8.8</b>

**Reconciliation of ARPU in Kazakhstan**

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

	March 31, 2007	Three months ended March 31, 2006	December 31, 2006
Service revenue and connection fees	119,399	54,382	112,963
Less: Connection fees	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0
Service revenue used to calculate ARPU	119,399	54,382	112,963
Average number of registered subscribers, 000	4,086	2,316	3,498
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>9.7</b>	<b>7.8</b>	<b>10.8</b>
Average number of active subscribers, 000	3,271	2,070	2,728
<b>ARPU (US\$)</b>	<b>12.2</b>	<b>8.8</b>	<b>13.8</b>

## UKRAINE

## Reconciliation of OIBDA in Ukraine

*(In thousands of US dollars)*

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
<b>OIBDA</b>	<b>(6,518)</b>	<b>(6,814)</b>	<b>(10,546)</b>
Depreciation	(3,203)	(76)	(4,325)
Amortization	(5,210)	(4,692)	(5,722)
<b>Operating income</b>	<b>(14,931)</b>	<b>(11,582)</b>	<b>(20,593)</b>

## Reconciliation of SAC in Ukraine

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

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
Selling, general and administrative expenses	15,980	6,397	17,624
Less: General and administrative expenses	10,844	5,765	11,346
Sales and marketing expenses, <i>including</i>	5,136	632	6,278
<i>advertising &amp; marketing expenses</i>	4,158	632	5,144
<i>dealers' commission expense</i>	978	0	1,134
New gross subscribers, 000	578	21	948
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>8.9</b>	<b>30.1</b>	<b>6.6</b>

## Reconciliation of ARPU in Ukraine

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

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
Selling, general and administrative expenses	15,980	6,397	17,624
Less: General and administrative expenses	10,844	5,765	11,346
Sales and marketing expenses, <i>including</i>	5,136	632	6,278
<i>advertising &amp; marketing expenses</i>	4,158	632	5,144
<i>dealers' commission expense</i>	978	0	1,134
New gross subscribers, 000	578	21	948
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>8.9</b>	<b>30.1</b>	<b>6.6</b>
<b>ARPU (US\$)</b>	<b>3.0</b>	<b>3.4</b>	<b>4.2</b>

## UZBEKISTAN

## Reconciliation of OIBDA in Uzbekistan

*(In thousands of US dollars)*

	March 31, 2007	Three months ended March 31, 2006	December 31, 2006
<b>OIBDA</b>	<b>8,664</b>	<b>5,227</b>	<b>7,815</b>
Depreciation	(3,097)	(1,374)	(2,720)
Amortization	(3,383)	(2,084)	(3,378)
<b>Operating income</b>	<b>2,184</b>	<b>1,769</b>	<b>1,717</b>

## Reconciliation of OIBDA Margin in Uzbekistan

	March 31, 2007	Three months ended March 31, 2006	December 31, 2006
<b>OIBDA margin</b>	<b>47.7%</b>	<b>58.6%</b>	<b>49.1%</b>
Less: Depreciation as a percentage of net operating revenue	(17.0)%	(15.4)%	(17.1)%
Less: Amortization as a percentage of net operating revenue	(18.6)%	(23.4)%	(21.2)%
<b>Operating income as a percentage of net operating revenue</b>	<b>12.0%</b>	<b>19.8%</b>	<b>10.8%</b>

## Reconciliation of SAC in Uzbekistan

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

	March 31, 2007	Three months ended March 31, 2006	December 31, 2006
Selling, general and administrative expenses	6,442	2,476	5,933
Less: General and administrative expenses	4,630	1,858	4,287
Sales and marketing expenses, <i>including</i>	1,812	618	1,646
<i>advertising &amp; marketing expenses</i>	699	310	767
<i>dealers' commission expense</i>	1,113	308	879
New gross subscribers, '000	488	30	284
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>3.7</b>	<b>20.6</b>	<b>5.8</b>

## Reconciliation of ARPU in Uzbekistan

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

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
Service revenue and connection fees	18,778	9,207	16,446
Less: Connection fees	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0
Service revenue used to calculate ARPU	18,778	9,207	16,446
Average number of registered subscribers, 000	980	273	625
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>6.4</b>	<b>11.2</b>	<b>8.8</b>
Average number of active subscribers, 000	930	185	558
<b>ARPU (US\$)</b>	<b>6.7</b>	<b>16.6</b>	<b>9.8</b>
<b>TAJIKISTAN</b>			

## Reconciliation of OIBDA in Tajikistan

*(In thousands of US dollars)*

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
<b>OIBDA</b>	<b>(343)</b>	<b>(50)</b>	<b>(1,112)</b>
Depreciation	(345)	(37)	(204)
Amortization	(158)	(416)	(69)
<b>Operating income</b>	<b>(846)</b>	<b>(503)</b>	<b>(1,385)</b>

## Reconciliation of SAC in Tajikistan

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

	Three months ended		
	March 31, 2007	March 31, 2006	December 31, 2006
Selling, general and administrative expenses	1,894	149	1,485
Less: General and administrative expenses	1,199	145	1,325
Sales and marketing expenses, <i>including</i>	695	3.8	160
<i>advertising &amp; marketing expenses</i>	305	3.8	91
<i>dealers' commission expense</i>	390	0	69
New gross subscribers, 000	77	0.2	65
<b>Subscriber Acquisition Cost (SAC) (US\$)</b>	<b>9.0</b>	<b>19.0</b>	<b>2.5</b>



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

	March 31,	Three months ended	
		March 31,	December 31,
	2007	2006	2006
Service revenue and connection fees	2,891	185	840
Less: Connection fees	0	0	0
Less: Revenue from rent of fiber-optic channels	0	0	0
Service revenue used to calculate ARPU	2,891	185	840
Average number of registered subscribers, 000	113	27	36
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>8.5</b>	<b>2.3</b>	<b>7.8</b>
Average number of active subscribers, 000	111	12	31
<b>ARPU (US\$)</b>	<b>8.7</b>	<b>5.1</b>	<b>9.0</b>
<b>ARMENIA</b>			

**Reconciliation of OIBDA in Armenia***(In thousands of US dollars)*

	March 31,	Three months ended	
		March 31,	December 31,
	2007	2006	2006
<b>OIBDA</b>	<b>27,309</b>	<b>na</b>	<b>13,290</b>
Depreciation	(13,941)	na	(7,148)
Amortization	(5,865)	na	(3,928)
<b>Operating income</b>	<b>7,503</b>	<b>na</b>	<b>2,214</b>

**Reconciliation of OIBDA Margin in Armenia**

	March 31,	Three months ended	
		March 31,	December 31,
	2007	2006	2006
<b>OIBDA margin</b>	<b>50.4%</b>	<b>na</b>	<b>48.6%</b>
Less: Depreciation as a percentage of net operating revenue	(25.7)%	na	(26.1)%
Less: Amortization as a percentage of net operating revenue	(10.8)%	na	(14.4)%
<b>Operating income as a percentage of net operating revenue</b>	<b>13.9%</b>	<b>na</b>	<b>8.1%</b>

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

	March 31,	Three months ended	
	2007	March 31,	December 31,
	2007	2006	2006
Service revenue and connection fees	19,912	na	10,451
Less: Connection fees	129	na	0
Less: Revenue from rent of fiber-optic channels	0	na	0
Service revenue used to calculate ARPU	19,783	na	10,451
Average number of registered subscribers, 000	468	na	445
<b>ARPU<sub>REG</sub> (US\$)</b>	<b>14.1</b>	<b>na</b>	<b>15.7</b>
Average number of active subscribers, 000	456	na	409
<b>ARPU (US\$)</b>	<b>14.5</b>	<b>na</b>	<b>17.0</b>

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

	March 31,	Three months ended	
	2007	March 31,	December 31,
	2007	2006	2006
Service revenue and connection fees	34,242	na	16,922
Less: Connection fees	0	na	0
Service revenue used to calculate ARPU	34,242	na	16,922
Average number of subscribers, 000	607	na	609
<b>Average revenue per subscriber per month (US\$)</b>	<b>18.8</b>	<b>na</b>	<b>18.5</b>

## Attachment D. Additional reference data

## Operating and Financial Indicators

## CONSOLIDATED

	1Q2007	1Q2006	Three months Change, 1Q07/1Q06	4Q2006	Change, 1Q07/4Q06
Registered mobile subscribers	56,805,600	48,052,800	18.2%	55,135,700	3.0%
Registered fixed subscribers	607,400	na		608,500	-0.2%

## RUSSIA

	1Q2007	1Q2006	Three months Change, 1Q07/1Q06	4Q2006	Change, 1Q07/4Q06
Registered subscribers	48,345,300	44,814,000	7.9%	48,141,200	0.4%
ARPU <sub>REG.</sub> (US\$)	8.9	6.6	34.8%	8.9	0.0%
MOU <sub>REG.</sub> (min)	130.9	110.6	18.4%	129.8	0.8%

## KAZAKHSTAN

	1Q2007	1Q2006	Three months Change, 1Q07/1Q06	4Q2006	Change, 1Q07/4Q06
Registered subscribers	4,345,649	2,512,700	72.9%	3,826,500	13.6%
ARPU <sub>REG.</sub> (US\$)	9.7	7.8	24.4%	10.8	-10.2%
MOU <sub>REG.</sub> (min)	57.9	40.0	44.8%	60.8	-4.8%

## UKRAINE

	1Q2007	1Q2006	Three months Change, 1Q07/1Q06	4Q2006	Change, 1Q07/4Q06
Registered subscribers	2,331,300	278,000	738.6%	1,876,100	24.3%
ARPU <sub>REG.</sub> (US\$)	2.5	2.6	-3.8%	3.4	-26.5%
MOU <sub>REG.</sub> (min)	114.7	47.3	142.5%	122.4	-6.3%

## UZBEKISTAN

	1Q2007	1Q2006	Three months Change, 1Q07/1Q06	4Q2006	Change, 1Q07/4Q06
Registered subscribers	1,147,200	421,400	172.2%	766,500	49.7%
ARPU <sub>REG.</sub> (US\$)	6.4	11.2	-42.9%	8.8	-27.3%

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MOU <sub>REG.</sub> (min)	229.9	307.3	-25.2%	240.1	-4.2%
<b>TAJIKISTAN</b>					

			Three months Change,		Change,
	1Q2007	1Q2006	1Q07/1Q06	4Q2006	1Q07/4Q06
Registered subscribers	149,900	26,700	461.4%	73,400	104.2%
ARPU <sub>REG.</sub> (US\$)	8.5	2.3	269.6%	7.8	9.0%
MOU <sub>REG.</sub> (min)	201.2	17.0	1083.5%	160.8	25.1%

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**ARMENIA**

	1Q2007	1Q2006	Three months Change, 1Q07/1Q06	4Q2006	Change, 1Q07/4Q06
Registered subscribers	478,000	na		452,000	5.8%
ARPU <sub>REG</sub> , (US\$)	14.1	na		15.7	-10.2%
MOU <sub>REG</sub> , (min)	137.6	na		163.7	-15.9%











VimpelCom  
Presentation of 1Q 2007  
Financial  
and  
Operating Results  
May 25, 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, such as growth in terms of subscribers, ARPU and revenues

as

well

as

acquisitions

and

expansion

into

new

business

areas.

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, 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.











Welcome Remarks  
Alexander Izosimov, Chief Executive Officer



4

Quarterly Financial Dynamics

Net Revenues, \$ mln

Net Income, \$ mln

OIBDA, \$ mln

OIBDA Margin

46.1%

51.6%

50.1%

52.8%

47.5%

51.5%

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q07

+59.0%

910

936

1,122

1,359

1,451

1,488

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q07

+84.6%

277

198

268

195

150

152

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q07

+58.8%

766

690

718

562

483

420

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q07



5

Net Operating Cash Flow vs  
CAPEX

1,971

1,293

804

2,265

1,512

1,635

1,242

1,620

2004

2005

2006

1Q07LTM

Net Operating Cash Flow, \$ mln

Capex, \$ mln





6

Strong Balance Sheet

\*LTM OIBDA constitutes the sum of the lines: LTM Operating income and LTM

Depreciation

and amortization

LTM

stands

for

last

twelve

months

to

reporting

date

\* \* In

cases

when

OIBDA

is

part

of

financial

ratios

it

is

deemed

to

be

calculated

in

accordance with the reconciliation tables herein

Assets and Liabilities, \$ mln

2,643

1,998

2,489

6,307

8,437  
 8,880  
 2005  
 2006  
 1Q07  
 Total Debt  
 Total Assets  
 (\$ mln)  
 03/31/07  
 12/31/06  
 12/31/05  
 Cash and Cash Equivalents  
 739  
 344  
 364  
 Total Assets  
 8,880  
 8,437  
 6,307  
 Total Debt  
 2,643  
 2,489  
 1,998  
   -Short-term  
 438  
 424  
 421  
   -Long-term  
 2,205  
 2,065  
 1,577  
 Shareholders' Equity  
 4,272  
 3,943  
 2,741  
 LTM OIBDA\*  
 2,736  
 2,452  
 1,571  
   - LTM Depreciation and amortization  
 1,165  
 1,055  
 593  
   - LTM Operating Income  
 1,571  
 1,397  
 978  
 LTM Interest  
 189  
 186

147

Debt/Equity

0.6

0.6

0.7

Debt/OIBDA\*\*

1.0

1.0

1.3

OIBDA/Interest

14.5

13.2

10.7

Debt/Assets

0.3

0.3

0.3



7

Moldova

Population: 4.5 mln.

Penetration 39%

GDP\* 2,000

Moldova

Population: 4.5 mln.

Penetration 39%

GDP\* 2,000

Armenia

Population: 3.2 mln.

Acquired: Nov. 2006

Penetration 40%

GDP\* 5,400

Armenia

Population: 3.2 mln.

Acquired: Nov. 2006

Penetration 40%

GDP\* 5,400

Russia and CIS License Footprint

2G & 3G licenses

2G & 3G licenses

No VIP license

No VIP license

Ukraine

Population: 47.6 mln.

Acquired: Nov. 2005

Penetration 105%

GDP\* 7,600

Ukraine

Population: 47.6 mln.

Acquired: Nov. 2005

Penetration 105%

GDP\* 7,600

Georgia

Population: 4.7 mln.

Acquired: Jul. 2006  
Penetration 46%  
GDP\* 3,800  
Georgia  
Population: 4.7 mln.  
Acquired: Jul. 2006  
Penetration 46%  
GDP\* 3,800  
Azerbaijan  
Population: 8.0 mln.  
Penetration 44%  
GDP\* 7,300  
Azerbaijan  
Population: 8.0 mln.  
Penetration 44%  
GDP\* 7,300  
Turkmenistan  
Population: 5.0 mln.  
Penetration 4%  
GDP\* 8,900  
Turkmenistan  
Population: 5.0 mln.  
Penetration 4%  
GDP\* 8,900  
Uzbekistan  
Population: 26.0 mln.  
Acquired: Jan. 2006  
Penetration 14%  
GDP\* 2,000  
Uzbekistan  
Population: 26.0 mln.  
Acquired: Jan. 2006  
Penetration 14%  
GDP\* 2,000  
Tajikistan  
Population: 6.8 mln.  
Acquired: Dec. 2005  
Penetration 20%  
GDP\* 1,300  
Tajikistan  
Population: 6.8 mln.  
Acquired: Dec. 2005  
Penetration 20%  
GDP\* 1,300  
Kyrgyzstan  
Population: 5.2 mln.  
Penetration 25%  
GDP\* 2,000  
Kyrgyzstan  
Population: 5.2 mln.

Penetration 25%

GDP\* 2,000

Kazakhstan

Population: 15.0 mln.

Acquired: Sept. 2004

Penetration 58%

GDP\* 9,100

Kazakhstan

Population: 15.0 mln.

Acquired: Sept. 2004

Penetration 58%

GDP\* 9,100

\*GDP (PPP) \$ per capita

Source: CIA World Factbook

Belarus

Population: 10.3 mln.

Penetration 63%

GDP\* 7,800

Belarus

Population: 10.3 mln.

Penetration 63%

GDP\* 7,800

Russia

Population: 145.2 mln.

Penetration 107%

GDP\* 12,100

Russia

Population: 145.2 mln.

Penetration 107%

GDP\* 12,100

Russia

Russia

2G license only

2G license only

3G license only

3G license only





8

Sources of Growth

Net Revenue Growth, 1Q 2006 to 1Q 2007, \$ mln

OIBDA Growth, 1Q 2006 to 1Q 2007, \$ mln

Subscribers

Growth, 1Q 2006 to 1Q 2007, 000

1,488

936

145

407

1Q06

Russia

CIS

1Q07

766

483

69

214

1Q06

Russia

CIS

1Q07

40,025

45,784

1,258

4,503

1Q06

Russia

CIS

1Q07



9

Operating Highlights: Russia

MOU

(min)

ARPU (US\$)

Active Subscriber Base, mln

Subscriber Market Share

\*

33%

34%

34%

33%

32%

19%

18%

18%

19%

20%

12%

13%

14%

14%

34%

34%

34%

35%

35%

31%

32%

19%

16%

15%

4Q05

1Q06

2Q06

3Q06

4Q06  
1Q07  
MTS  
VimpelCom  
MegaFon  
Others

8.4

7.8

9.0

10.6

10.9

10.9

4Q05

1Q06

2Q06

3Q06

4Q06

1Q07

131

132

141

152

158

161

4Q05

1Q06

2Q06

3Q06

4Q06

1Q07

35.9

37.4

38.2

39.8

38.6

38.8

4Q05

1Q06

2Q06

3Q06

4Q06

1Q07

Note: \*

)

estimated by independent sources generally based on registered subscribers



10

Financial Highlights: Russia

Net Revenues, \$ mln

OIBDA, \$ mln

CAPEX, \$ mln

CAPEX / Revenue, LTM

623

146

297

226

380

200

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q07

22.9%

23.9%

32.5%

36.1%

41.6%

49.4%

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q07

+46.8%

859

871

1,021

1,228

1,281

1,278  
4Q 05  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q07  
+46.3%  
677  
645  
666  
530  
462  
404  
4Q 05  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q07





11

Operating Highlights: Kazakhstan

ARPU

(US\$)

MOU (min)

Active Subscriber Base, mln

Subscriber Market Share

\*

60%

55%

52%

49%

37%

41%

44%

47%

3%

4%

4%

4%

5%

45%

46%

50%

49%

5%

4Q05

1Q06

2Q06

3Q06

4Q06

1Q07

K'Cell

VIP

Others

10.3

8.8  
12.6  
14.4  
13.8  
12.2  
4Q05  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07

49  
45  
66  
88  
72  
78

4Q05  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07

2.2  
2.6  
3.1  
1.8  
2.1  
3.5

4Q05  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07

Note: \*

)

estimated by independent sources generally based on registered subscribers



12  
Financial Highlights: Kazakhstan  
Net Revenues, \$ mln  
OIBDA, \$ mln  
CAPEX, \$  
mln  
CAPEX / Revenue, LTM  
31  
49  
55  
37  
36  
57  
4Q 05  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q07  
77.5%  
80.9%  
69.3%  
64.2%  
50.2%  
41.2%  
4Q 05  
1Q 06  
2Q 06  
3Q 06  
4Q 06  
1Q07  
+120.2%  
119  
112  
104  
80

54

49

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q07

+183.1%

17

22

34

49

36

62

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

1Q07



13

Operating and Financial Highlights:

Ukraine

Active Subscriber Base, mln

ARPU

(US\$)

MOU

(min)

Net Revenues, \$ mln

4.3

3.4

5.9

6.7

4.2

3.0

4Q05

1Q06

2Q06

3Q06

4Q06

1Q07

36

168

149

172

61

138

4Q05

1Q06

2Q06

3Q06

4Q06

1Q07

0.3

0.1

0.5

0.8  
2.0  
1.5  
4Q05  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07  
+647.6%  
2.0  
2.1  
5.8  
11.5  
14.3  
15.7  
4Q05  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07





14

Operating and Financial Highlights:

Uzbekistan

Active Subscriber Base, mln

Net Revenues, \$ mln

ARPU (US\$)

MOU (min)

16.6

12.7

11.8

9.8

6.7

1Q06

2Q06

3Q06

4Q06

1Q07

454

349

305

269

242

1Q06

2Q06

3Q06

4Q06

1Q07

0.4

0.4

0.5

0.7

1.1

1Q06

2Q06

3Q06

4Q06

1Q07  
+102.2%  
8.9  
15.0  
15.7  
15.8  
18.0  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07



15

Operating and Financial Highlights:

Tajikistan

Active Subscriber Base, mln

Net Revenues, \$ mln

ARPU

(US\$)

MOU (min)

5.1

4.0

3.1

9.0

8.7

1Q06

2Q06

3Q06

4Q06

1Q07

39

48

206

70

188

1Q06

2Q06

3Q06

4Q06

1Q07

0.01

0.01

0.01

0.07

0.15

1Q06

2Q06

3Q06

4Q06  
1Q07  
+1483.3%  
2.85  
0.80  
0.08  
0.12  
0.18  
1Q06  
2Q06  
3Q06  
4Q06  
1Q07



16

Operating and Financial Highlights:

Armenia

178

141

4Q06

1Q07

Note: Data for 4Q06 represent data for 1.5 months since the date of acquisition by VimpelCom

Active Subscriber Base, mln

Net Revenues, \$ mln

ARPU

(US\$)

MOU

(min)

18.5

18.8

17.0

14.5

4Q06

1Q07

Fixed ARPU

Mobile ARPU active base

0.6

0.6

0.4

0.4

4Q06

1Q07

Fixed Subscribers

Mobile active subscribers

19.8

34.2

16.9

10.5

4Q06

1Q07



Fixed Revenue  
Mobile Revenue



17

Strategy Going Forward

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

Focus on subscriber growth

Leverage unified business platform  
developed in Russia

Pursue acquisitions in remaining markets

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

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

Extract maximum value in the

Russian business

Grow the business in the CIS

Capture attractive opportunities to  
expand into new business areas



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VimpelCom s  
AGM

The AGM has been set for June 29, 2007 with 10 candidates vying for 9 board seats. The record date is May 14 and the cut-off date for ADR holders voting is June 25, 2007.

Shareholder materials are available on the Company s website at the address:  
[www.vimpelcom.com/investor/shareholder/index.wbp](http://www.vimpelcom.com/investor/shareholder/index.wbp)



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Summary

Continued strong financial performance on the consolidated level.

Flat revenue in Russia compared with the fourth quarter of 2006 confirms ongoing strength of the Russian market.

CIS becomes increasingly important, behind strong subscriber growth and improvements in OIBDA margin.





20

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  
a  
nd  
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)









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





22

Reconciliation of OIBDA and OIBDA Margin

(Unaudited)

(\$'000)

March 31,  
2007

Dec 31,  
2006

Sept 30,  
2006

June 30,  
2006

March 31,  
2006

Dec 31,  
2005

OIBDA

766,417

689,825

717,796

561,555

482,607

419,692

Depreciation

(269,172)

(265,086)

(243,593)

(194,845)

(171,094)

(143,425)

Amortization

(53,289)

(50,095)

(45,648)

(43,148)

(40,955)

(39,040)

Operating Income

443,956

374,644

428,555

323,562

270,558

237,227

OIBDA margin

51.5%

47.5%

52.8%

50.1%

51.6%

46.1%

Less: Depreciation as % of net  
operating revenues

(18.1%)

(18.3%)

(17.9%)

(17.4%)

(18.3%)

(15.7%)

Less: Amortization as % of net  
operating revenues

(3.6%)

(3.4%)

(3.4%)

(3.9%)

(4.4%)

(4.3%)

Operating Income

29.8%

25.8%

31.5%

28.8%

28.9%

26.1%

Reconciliation of OIBDA to operating income

Reconciliation of OIBDA margin to operating income as percentage of  
net operating revenue

Three months ended



23

Reconciliation of OIBDA and OIBDA Margin  
in Russia (Unaudited)

(\$'000)

March 31,  
2007

Dec 31,  
2006

Sept 30,  
2006

June 30,  
2006

March 31,  
2006

Dec 31,  
2005

OIBDA  
676,476

645,144

666,354

529,704

462,337

404,113

Depreciation

(232,681)

(229,544)

(221,973)

(182,684)

(161,936)

(135,740)

Amortization

(28,536)

(27,091)

(26,429)

(25,657)

(24,977)

(27,998)

Operating Income

415,259

388,509

417,952

321,363

275,424

240,375

OIBDA margin

52.9%

50.3%

54.2%

51.9%

53.1%

47.0%

Less: Depreciation as % of net  
operating revenues

(18.2%)

(17.9%)

(18.0%)

(17.9%)

(18.6%)

(15.7%)

Less: Amortization as % of net  
operating revenues

(2.2%)

(2.1%)

(2.2%)

(2.5%)

(2.9%)

(3.3%)

Operating Income

32.5%

30.3%

34.0%

31.5%

31.6%

28.0%

Reconciliation of OIBDA margin to operating income as percentage of  
net operating revenue

Reconciliation of OIBDA to operating income

Three months ended



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Reconciliation of OIBDA and OIBDA Margin  
in Kazakhstan (Unaudited)

(\$'000)

March 31,  
2007

Dec 31,  
2006

Sept 30,  
2006

June 30,  
2006

March 31,  
2006

Dec 31,  
2005

OIBDA

62,007

35,744

49,023

33,908

21,907

16,979

Depreciation

(15,817)

(21,142)

(17,981)

(9,363)

(7,672)

(7,655)

Amortization

(9,154)

(9,134)

(9,550)

(9,324)

(8,785)

(8,245)  
Operating Income  
37,036  
5,468  
21,492  
15,221  
5,450  
1,079  
OIBDA margin  
51.9%  
31.6%  
47.0%  
42.2%  
40.3%  
34.2%  
Less: Depreciation as % of net  
operating revenues  
(13.2%)  
(18.7%)  
(17.2%)  
(11.7%)  
(14.1%)  
(15.4%)  
Less: Amortization as % of net  
operating revenues  
(7.7%)  
(8.1%)  
(9.2%)  
(11.5%)  
(16.2%)  
(16.6%)  
Operating Income  
31.0%  
4.8%  
20.6%  
19.0%  
10.0%  
2.2%  
Reconciliation of OIBDA to operating income  
Reconciliation of OIBDA margin to operating income as percentage of  
net operating revenue  
Three months ended





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Reconciliation of ARPU in Russia

(Unaudited)

(\$'000)

March 31,

2007

Dec 31,

2006

Sept 30,

2006

June 30,

2006

March 31,

2006

Dec 31,

2005

Reconciliation of ARPU to service revenue and connection fees

Service revenue and connection

fees

1,276,754

1,276,276

1,223,681

1,014,810

864,767

849,775

Less: Connection fees

169

308

410

622

404

259

Less: Revenue from rent of fiber-optic

channels

964

433

760

325

328

309

Service revenue used to calculate

ARPU

1,275,621

1,275,535

1,222,511

1,013,863

864,035

849,207

Average number of active subscribers ('000)

39,021

39,102

38,365

37,733

36,784

33,754

ARPU (US\$)

10.9

10.9

10.6

9.0

7.8

8.4

Three months ended



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Reconciliation of ARPU in Kazakhstan

(Unaudited)

(\$'000)

March 31,

2007

Dec 31,

2006

Sept 30,

2006

June 30,

2006

March 31,

2006

Dec 31,

2005

Reconciliation of ARPU to service revenue and connection fees

Service revenue and connection

fees

119,399

112,963

104,208

80,301

54,382

49,668

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

119,399

112,963

104,208

80,301

54,382

49,668

Average number of active subscribers ('000)

3,271

2,728

2,412

2,120

2,070

1,604

ARPU (US\$)

12.2

13.8

14.4

12.6

8.8

10.3

Three months ended



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Reconciliation of ARPU in Ukraine (Unaudited)

(\$'000)

March 31,

2007

Dec 31,

2006

Sept 30,

2006

June 30,

2006

March 31,

2006

Dec 31,

2005

Service revenue and connection

fees

16,158

14,652

12,320

5,948

2,103

1,952

Less: Connection fees

5

5

3

0

0

0

Less: Revenue from rent of fiber-optic

channels

0

0

0

0



0

0

Service revenue used to calculate

ARPU

16,153

14,647

12,317

5,948

2,103

1,952

Average number of active subscribers ('000)

1,781

1,170

611

338

208

228

ARPU (US\$)

3.0

4.2

6.7

5.9

3.4

4.3

Reconciliation of ARPU to service revenue and connection fees

Three months ended



28

Reconciliation of ARPU in Uzbekistan

(Unaudited)

(\$'000)

March 31,

2007

Dec 31,

2006

Sept 30,

2006

June 30,

2006

March 31,

2006

Dec 31,

2005

Service revenue and connection

fees

18,778

16,446

16,279

15,507

9,207

na

Less: Connection fees

0

0

0

0

0

na

Less: Revenue from rent of fiber-optic

channels

0

0

0

0

0

na

Service revenue used to calculate

ARPU

18,778

16,446

16,279

15,507

9,207

na

Average number of active subscribers ('000)

930

558

458

406

185

na

ARPU (US\$)

6.7

9.8

11.8

12.7

16.6

na

Reconciliation of ARPU to service revenue and connection fees

Three months ended



29

Reconciliation of ARPU in Tajikistan

(Unaudited)

(\$'000)

March 31,

2007

Dec 31,

2006

Sept 30,

2006

June 30,

2006

March 31,

2006

Dec 31,

2005

Service revenue and connection

fees

2,891

840

74

119

185

na

Less: Connection fees

0

0

0

0

0

na

Less: Revenue from rent of fiber-optic

channels

0

0

0

0

0

na

Service revenue used to calculate

ARPU

2,891

840

74

119

185

na

Average number of active subscribers ('000)

111

31

8

10

12

na

ARPU (US\$)

8.7

9.0

3.1

4.0

5.1

na

Reconciliation of ARPU to service revenue and connection fees

Three months ended





30

Reconciliation of ARPU in Armenia (Unaudited)

Note: data for 4Q06 represent data for 1.5 months since the moment of acquisition by VimpelCom

(\$'000)

March 31,  
2007

Dec 31,  
2006

March 31,  
2007

Dec 31,  
2006

Service revenue and connection  
fees

19,912

10,451

34,242

16,922

Less: Connection fees

129

0

0

0

Less: Revenue from rent of fiber-optic  
channels

0

0

-

-

Service revenue used to calculate

ARPU

19,783

10,451

34,242

16,922

Average number of active subscribers ('000)

456

409

607

609

ARPU (US\$)

14.5

17.0

18.8

18.5

Reconciliation of ARPU to service revenue and connection fees

Three months ended

Three months ended

Mobile ARPU

Fixed ARPU