



VIMPELCOM ANNOUNCES SECOND QUARTER 2009 FINANCIAL AND OPERATING RESULTS

Moscow and New York (August 27, 2009) - Open Joint Stock Company "Vimpel-Communications" ("VimpelCom" or the "Company") (NYSE: VIP), the leading provider of telecommunications services in Russia and the Commonwealth of Independent States (CIS), today announced its financial and operating results for the quarter ended June 30, 2009.

Second Quarter 2009 Financial Highlights

- Net operating revenues reached 69.0 billion Russian rubles, an increase of 3.3% versus 1Q09
- OIBDA reached 35.0 billion rubles, an increase of 8.7% versus 1Q09
- Consolidated OIBDA margin improved to 50.6% from 48.1% reported in 1Q09
- Net income amounted to 22.6 billion rubles compared to a 8.5 billion rubles loss in 1Q09

Second Quarter 2009 Operating Highlights

- Mobile subscribers increased by 1.0 million versus 1Q09, reaching 63.7 million
- Launch of operations in Cambodia and Vietnam under Beeline brand
- Active 3G networks in 51 regions of Russia

VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Commenting on the performance of the Company, Boris Nemsic, Chief Executive Officer of VimpelCom, said, “We are pleased with our performance during the second quarter. We continue to demonstrate strong results with revenues of 69.0 billion rubles and OIBDA of 35.0 billion rubles. In spite of the economic crisis we achieved 12% year-on-year growth in revenue and 21% year-on-year growth in OIBDA.

We increased the number of active mobile subscribers to 63.7 million, almost 19% more than we had last year. The residential broadband business grew in line with our expectations and we now serve 1.7 million fixed and mobile broadband subscribers compared to 0.6 million customers a year ago.

I am especially proud to report that revenue growth coupled with successful business integration and ongoing cost control yielded a consolidated fixed and mobile OIBDA margin of 50.6%. The consolidated OIBDA margin is 2.5 percentage points above a strong first quarter figure and represents a 3.8 percentage point increase compared to the results of the second quarter of 2008.

Cash flow from operations for the quarter amounted to 27.6 billion rubles or \$858 million dollars*. We had a modest increase in capital expenditures compared to the first quarter of 2009. In line with our initial expectations we plan to increase CAPEX in the second half of the year to ensure the sustainability of our business and to capture growth opportunities going forward.

Although our operations during the second quarter reflected the underlying robustness of the telecom markets and our successful business execution, macroeconomic uncertainty still remains a significant factor in the current environment. Hence, looking forward we maintain our stance of cautious optimism”.

*The average exchange rate for the quarter ended June 30, 2009 was 32.2145 RUR/US\$



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Key Consolidated Financial and Operating Results

CONSOLIDATED OPERATIONS* (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	69,035	61,684	11.9%	66,843	3.3%
OIBDA	34,958	28,889	21.0%	32,166	8.7%
OIBDA margin, %	50.6%	46.8%		48.1%	
Operating income	22,250	17,409	27.8%	19,266	15.5%
Operating income margin, %	32.2%	28.2%		28.8%	
SG&A	18,458	18,278	1.0%	18,206	1.4%
including Sales & Marketing Expenses	5,414	5,074	6.7%	5,302	2.1%
including General & Administrative Costs	13,044	13,204	-1.2%	12,904	1.1%
SG&A percentage	26.7%	29.6%		27.2%	
Net income (loss)	22,599	11,109	103.4%	-8,514	n/a
Net income (loss) per common share, basic (RUR)	446.43	218.69		-168.20	
Net income (loss) per ADS equivalent, basic (RUR)	22.32	10.93		-8.41	
Capital expenditures	5,027	15,689	-68.0%	3,925	28.1%
Mobile subscribers ('000)	63,676	53,707	18.6%	62,724	1.5%
Broadband subscribers ('000)	1,712	617	177.5%	1,538	11.3%

* See definitions in Attachment A. Y-o-y stands for 2Q'09 vs. 2Q'08 comparison while q-o-q stands for 2Q'09 vs. 1Q'09.

Net operating revenues 2Q '09* (RUR, millions)	Russia	CIS	Other	Eliminations	Total
Mobile business	49,410	8,859	28	-89	58,208
Fixed business	13,007	2,040	0	-472	14,575
Eliminations	-3,281	-231	0	-236	-3,748
Total net operating revenue	59,136	10,668	28	-797	69,035

* Due to the increasing integration between different parts of our business, we include inter-company transactions in the reported revenues of geographic and business segments and indicate the amount of inter-company eliminations within and between the segments.

The quarterly net operating revenues increased by 11.9% year-on-year and 3.3% as compared with the previous quarter demonstrating the strength of our core business.

Synergies from business integration and focus on operational efficiency helped us to achieve 8.7% quarter-on-quarter OIBDA growth, and even more remarkably, 21.0% year-on-year OIBDA growth. Solid cash inflow from operations coupled with our prudent approach to working capital resulted in a 21.7% increase of quarterly operational cash flow compared to the same period of 2008.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

During the second quarter we repaid \$456 million dollars of debt. Additionally, in July of 2009 we raised 10 billion in Ruble bonds in order to optimize the structure of our debt portfolio through extended duration and a more balanced currency composition.

Our quarterly net income amounted to 22.6 billion rubles, including a 10.6 billion ruble net foreign exchange gain due to the strengthening ruble.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Russia - Financial and Operating Results

RUSSIA (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	59,136	52,915	11.8%	56,272	5.1%
OIBDA	30,279	25,041	20.9%	27,227	11.2%
OIBDA margin, %	51.2%	47.3%		48.4%	
Operating income	20,574	16,269	26.5%	17,719	16.1%
Operating income margin, %	34.8%	30.7%		31.5%	
SG&A	15,417	15,521	-0.7%	14,936	3.2%
including Sales & Marketing Expenses	4,726	4,273	10.6%	4,485	5.4%
including General & Administrative Costs	10,691	11,248	-5.0%	10,451	2.3%
SG&A percentage	26.1%	29.3%		26.5%	
Net income (loss)	21,835	10,616	105.7%	-6,722	n/a

Our quarterly net operating revenues in Russia amounted to 59.1 billion rubles, a growth of 5.1% compared to the previous quarter or 11.8% compared to the same period of 2008. The consolidated OIBDA margin in Russia was 51.2%, up from 47.3% reported a year ago.

In the mobile segment our revenues increased by 8.2% quarter-on-quarter. MOU was up by 4.3% compared with the previous quarter, reflecting a combination of the normal seasonal increase and slight downward pressure from the macroeconomic environment. The increase in usage, coupled with stable pricing, led to an increase in ARPU of 5.2%.

Our fixed-line revenues decreased by 2.3% quarter-on-quarter, and now represent 17.2% of the total revenues in Russia. The fixed-line OIBDA margin decreased slightly to 29.6% from 30.1% reported in the first quarter. The quarterly financial dynamics were impacted by the ruble appreciation as some of our corporate and wholesale tariffs are linked to foreign currencies, while the majority of the operating expenses is in Russian rubles.

In the second quarter of 2009 the total number of residential broadband subscribers in Russia including FTTB and mobile broadband reached 1.7 million.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

RUSSIA REVENUES (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	59,136	52,915	11.8%	56,272	5.1%
Mobile revenues	49,410	44,004	12.3%	45,653	8.2%
Fixed revenues	13,007	9,788	32.9%	13,308	-2.3%
Eliminations	-3,281	-877		-2,689	

RUSSIA OIBDA DEVELOPMENT* (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
OIBDA Total	30,279	25,041	20.9%	27,227	11.2%
Mobile OIBDA	26,427	22,895	15.4%	23,222	13.8%
Fixed OIBDA	3,852	2,146	79.5%	4,005	-3.8%
Total OIBDA margin, %	51.2%	47.3%		48.4%	
Mobile OIBDA margin, %	53.5%	52.0%		50.9%	
Fixed OIBDA margin, %	29.6%	21.9%		30.1%	

RUSSIA OPERATING DEVELOPMENT	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Mobile subscribers ('000)	49,971	42,485	17.6%	49,351	1.3%
Subscriber market share**, %	25.3%	24.6%		25.9%	
MOU, min	211.8	220.3	-3.9%	203.0	4.3%
ARPU mobile, (RUR)	322.5	347.6	-7.2%	306.6	5.2%
Broadband subscribers ('000)	1,659	604	174.7%	1,498	10.7%

*Please find information on respective operating income amounts in the supplementary file FinancialOperatingQ22009.xls on our website at <http://www.vimpelcom.com/news/qrep.wbp>.

** Source: AC&M-Consulting. Starting from January 1, 2008 VimpelCom's market share is calculated on the basis of active subscribers. Published data on the number of subscribers of other wireless service providers may vary significantly because of different accounting methodologies for calculating the active subscriber base.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

CIS - Financial and Operating Results

CIS OPERATIONS (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	10,668	9,170	16.3%	11,287	-5.5%
OIBDA	4,908	3,885	26.3%	5,079	-3.4%
OIBDA margin, %	46.0%	42.4%		45.0%	
Operating income	1,929	1,177	63.9%	1,691	14.1%
Operating income margin, %	18.1%	12.8%		15.0%	
SG&A	2,844	2,727	4.3%	3,140	-9.4%
including Sales & Marketing Expenses	633	801	-21.0%	771	-17.9%
including General & Administrative Costs	2,211	1,926	14.8%	2,369	-6.7%
SG&A percentage	26.7%	29.7%		27.8%	
Net income (loss)	841	528	59.3%	-374	n/a
Mobile subscribers ('000)	13,626	11,222	21.4%	13,373	1.9%
Broadband subscribers ('000)	53	13	307.7%	40	32.5%

In the CIS we continue to expand our subscriber base, which reached 13.6 million active users, 21.4% more than a year ago. The revenues from our CIS operations increased by 16.3% when compared to the second quarter of 2008, growing to 14.6%* of the Group consolidated revenues.

However, the reported financial results in the CIS countries were negatively affected by ruble appreciation versus the functional currency. In local currency terms, we see quarterly revenue growth in our major CIS markets. Please see Attachment F for the applicable exchange rates.

We are OIBDA positive in all segments and all markets where we operate. The consolidated fixed and mobile OIBDA margin from our CIS operations increased to 46.0%, a 3.6 percentage point increase during the second quarter of 2008 reflecting ongoing cost optimization efforts throughout the Group.

In the second quarter of 2009, our consolidated CIS fixed and mobile OIBDA amounted to almost 4.9 billion rubles with a net income of 0.8 billion rubles.

* Calculated on the basis of net operating revenues excluding inter-company transactions.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

CIS Revenues Development

KAZAKHSTAN (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	5,061	4,377	15.6%	5,223	-3.1%
Mobile	4,988	4,312	15.7%	5,145	-3.1%
Fixed	190	115	65.2%	166	14.5%
Elimination	-117	-50		-88	
Net operating revenues (KZT)	23,679	22,341	6.0%	21,373	10.8%
UKRAINE (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	1,645	1,683	-2.3%	1,609	2.2%
Mobile	956	1,079	-11.4%	894	6.9%
Fixed	800	670	19.4%	836	-4.3%
Elimination	-111	-66		-121	
Net operating revenues (UAH)	390	353	10.5%	365	6.8%
ARMENIA (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	1,584	1,528	3.7%	1,787	-11.4%
Mobile	634	623	1.8%	721	-12.1%
Fixed	950	905	5.0%	1,066	-10.9%
Elimination	0	0		0	
Net operating revenues (AMD)	18,253	19,862	-8.1%	17,066	7.0%
UZBEKISTAN (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	1,693	1,229	37.8%	1,984	-14.7%
Mobile	1,594	1,168	36.5%	1,884	-15.4%
Fixed	100	61	63.9%	101	-1.0%
Elimination	-1	0		-1	
Net operating revenues (US\$)	53	52	1.9%	58	-8.6%
TAJIKISTAN (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	461	266	73.3%	487	-5.3%
Mobile	461	266	73.3%	487	-5.3%
Net operating revenues (US\$)	14	11	27.3%	14	0.0%
GEORGIA (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	229	92	148.9%	205	11.7%
Mobile	229	92	148.9%	205	11.7%
Net operating revenues (GEL)	12	6	100.0%	10	20.0%
CIS (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	10,668	9,170	16.3%	11,287	-5.5%
Mobile	8,859	7,536	17.6%	9,331	-5.1%
Fixed	2,040	1,751	16.5%	2,169	-5.9%
Elimination	-231	-117		-213	



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

CIS OIBDA Development*

KAZAKHSTAN (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
OIBDA total	2,745	2,277	20.6%	2,672	2.7%
Mobile	2,643	2,225	18.8%	2,584	2.3%
Fixed	102	52	96.2%	88	15.9%
OIBDA Margin, %	54.2%	52.0%		51.2%	
UKRAINE (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
OIBDA total	322	221	45.7%	215	49.8%
Mobile	82	59	39.0%	-2	n/a
Fixed	240	162	48.1%	217	10.6%
OIBDA margin, %	19.6%	13.1%		13.4%	
ARMENIA (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
OIBDA total	799	717	11.4%	924	-13.5%
Mobile	298	243	22.6%	356	-16.3%
Fixed	501	474	5.7%	568	-11.8%
OIBDA Margin, %	50.4%	46.9%		51.7%	
UZBEKISTAN (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
OIBDA total	865	657	31.7%	1,122	-22.9%
Mobile	825	642	28.5%	1,082	-23.8%
Fixed	40	15	166.7%	40	0.0%
OIBDA Margin, %	51.1%	53.5%		56.6%	
TAJIKISTAN (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
OIBDA total	173	63	174.6%	164	5.5%
Mobile	173	63	174.6%	164	5.5%
OIBDA Margin, %	37.5%	23.7%		33.7%	
GEORGIA (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
OIBDA total	4	-50	n/a	-18	n/a
Mobile	4	-50	n/a	-18	n/a
OIBDA Margin, %	1.7%	n/a		n/a	
CIS (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
OIBDA total	4,908	3,885	26.3%	5,079	-3.4%
Mobile	4,025	3,182	26.5%	4,166	-3.4%
Fixed	883	703	25.6%	913	-3.3%
OIBDA margin, %	46.0%	42.4%		45.0%	

*Please find information on respective operating income amounts in the supplementary file FinancialOperatingQ22009.xls on our website at <http://www.vimpelcom.com/news/qrep.wbp>.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

CIS Operating Highlights

KAZAKHSTAN	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Mobile subscribers ('000)	6,635	5,098	30.1%	6,377	4.0%
Subscriber market share [*] , %	43.3%	39.6%		42.6%	
MOU, min	90.7	109.7	-17.3%	81.1	11.8%
ARPU mobile, (RUR)	253.6	289.9	-12.5%	268.5	-5.5%
ARPU mobile, (KZT)	1,187.1	1,479.5	-19.8%	1,099.0	8.0%
UKRAINE	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Mobile subscribers ('000)	1,934	2,111	-8.4%	1,894	2.1%
Subscriber market share [*] , %	3.5%	3.8%		3.4%	
MOU, min	217.8	231.0	-5.7%	213.3	2.1%
ARPU mobile, (RUR)	166.8	177.8	-6.2%	151.4	10.2%
ARPU mobile, (UAH)	39.7	37.2	6.7%	34.6	14.7%
Broadband subscribers ('000)	53	13	307.7%	40	32.5%
ARPU broadband, (RUR)	261.0	362.7	-28.0%	299.8	-12.9%
ARPU broadband, (UAH)	62.0	63.0	-1.6%	68.5	-9.5%
ARMENIA	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Mobile subscribers ('000)	486	655	-25.8%	481	1.0%
Subscriber market share [*] , %	19.2%	30.5%		19.0%	
MOU, min	238.4	164.9	44.6%	174.7	36.5%
ARPU mobile, (RUR)	436.9	362.5	20.5%	478.7	-8.7%
ARPU mobile, (AMD)	5,034.7	4,710.8	6.9%	4,573.7	10.1%
UZBEKISTAN	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Mobile subscribers ('000)	3,605	2,754	30.9%	3,653	-1.3%
Subscriber market share [*] , %	25.0%	31.2%		27.9%	
MOU, min	225.6	294.6	-23.4%	238.6	-5.4%
ARPU mobile, (RUR)	150.6	155.8	-3.3%	177.1	-15.0%
ARPU mobile, (US\$)	4.7	6.6	-28.8%	5.2	-9.6%
TAJKISTAN	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Mobile subscribers ('000)	677	435	55.6%	722	-6.2%
Subscriber market share [*] , %	18.2%	17.4%		19.8%	
MOU, min	173.1	241.1	-28.2%	171.7	0.8%
ARPU mobile, (RUR)	221.6	221.1	0.2%	239.7	-7.6%
ARPU mobile, (US\$)	6.9	9.4	-26.6%	7.0	-1.4%
GEORGIA	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Mobile subscribers ('000)	289	169	71.0%	246	17.5%
Subscriber market share [*] , %	7.5%	4.9%		6.5%	
MOU, min	123.1	89.3	37.8%	121.2	1.6%
ARPU mobile, (RUR)	283.6	194.1	46.1%	285.5	-0.7%
ARPU mobile, (GEL)	14.5	11.9	21.8%	14.0	3.6%

* Source: AC&M-Consulting. Starting from January 1, 2008 VimpelCom's market share is calculated on the basis of active subscribers. Published data on the number of subscribers of other wireless service providers may vary significantly because of different accounting methodologies for calculating the active subscriber base.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Other Operations

In May 2009, we launched commercial operations in Cambodia, offering services under the Beeline brand. Initial sales have been strong and generated 28 million rubles in revenues since its launch. Presently, our services are available in the 11 largest provinces reaching 42% of the country's population. By the end of 2009, we plan to expand coverage reaching more than two thirds of the country's population.

In Vietnam, we launched commercial operations on July 20th. At the initial stage Beeline services will be available in the largest provinces of Vietnam with more than 15 million people. By the end of 2009, we plan to cover more than 40 provinces of Vietnam with a population of about 41 million.

OTHER* (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	28	0	n/a	0	n/a
OIBDA total	-229	-36	n/a	-140	n/a

*^y) See definitions in Attachment A.

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For more information on financial and operating data for specific countries, please refer to the supplementary file [FinancialOperatingQ22009.xls](http://www.vimpelcom.com/news/qrep.wbp) on our website at <http://www.vimpelcom.com/news/qrep.wbp>.

The Company's management will discuss its second quarter 2009 results during a conference call and slide presentation on August 27, 2009 at 6:30 pm Moscow time (10:30 am US ET). 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 September 3, 2009. The slide presentation webcast will also be available for download on VimpelCom's website <http://www.vimpelcom.com>.

The VimpelCom Group consists of telecommunications operators providing voice and data services through a range of mobile, fixed and broadband technologies. The Group includes companies operating in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia, Armenia, as well as Vietnam and Cambodia, in territories with a total population of about 340 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".



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

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 development plans in Cambodia and Vietnam. 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 continued volatility in the economies in the markets in which the Company operates, unforeseen developments from competition, governmental regulation of the telecommunications industries, general political uncertainties in the markets in which the Company operates 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, if the Company is unable to successfully integrate newly-acquired businesses, including Golden Telecom, and other factors. There can be no assurance that such risks and uncertainties 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, 2008 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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VimpelCom Announces Second Quarter 2009 Financial and Operating Results

- Definitions and tables are attached –

Attachment A: Definitions

Mobile 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, except for the subscriber base in Cambodia which is calculated on a one month basis. 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.

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 subscribers during the period and dividing by the number of months in that period. 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.

Broadband subscribers are those subscribers in the registered subscriber base who were a party to a revenue generating activity in the past three months. Such activities include monthly internet access using FTTB, xDSL and WiFi technologies as well as mobile home internet service via USB modems.

CIS Geographic Segment for the purpose of VimpelCom reporting includes our operations in the following countries: Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Armenia and Georgia.

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

General and administrative costs (G&A) include salaries and outsourcing costs, including related social contributions required by Russian law; stock price-based compensation expenses; repair and maintenance expenses; rent, including lease payments for base station sites; utilities; other miscellaneous expenses, such as insurance, operating taxes, license fees, and accounting, audit and legal fees.

Households passed are households located within buildings, in which indoor installation of all the FTTB equipment necessary to install terminal residential equipment has been completed.

Market share of subscribers for each relevant area is calculated by dividing the estimated number of our mobile subscribers in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia and Armenia, respectively, by the total estimated number of mobile subscribers in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia and Armenia, respectively, and is provided by AC&M-Consulting.

Mobile services are wireless voice and data transmission services excluding WiFi.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

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 mobile subscribers during the period and dividing by the number of months in that period.

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

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

Roaming revenues include both revenues from VimpelCom customers who roam outside of home country network and revenues from other wireless carriers for roaming by their customers on VimpelCom's network.

Sales and marketing costs (S&M) include marketing, advertising and dealer commissions expenses.

Take-up rate for the FTTB network is calculated by dividing the number of FTTB subscribers by the total number of households passed.

VAS (value added services) includes short messages ("SMS"), multimedia messages ("MMS"), caller number identification, call waiting, data transmission, mobile Internet, downloadable content and other services.

Capital expenditures (Capex) - purchases of new equipment, new construction, upgrades, software, other long lived assets and related reasonable costs incurred prior to intended use of the non current asset, accounted at the earliest event of advance payment or delivery. Long-lived assets acquired in business combinations are not included in capital expenditures.

"Other" category includes information about other business activities and operating segments that are not reportable elsewhere due to the non-materiality of such business activities and operating segments, and were therefore combined and disclosed in the "Other" category separately from other reconciling items. This "Other" category includes VimpelCom's operations in Cambodia, DVB-T/DVB-H activities and VimpelCom's respective equity in net results of operations of the Company's associates GTEL-Mobile JSC ("GTEL-Mobile") and Morefront Holdings Ltd.



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Attachment B: VimpelCom financial statements

Open Joint Stock Company "Vimpel-Communications" Unaudited Condensed Consolidated Statements of Income

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
	<i>(In millions of Russian rubles, except per share (ADS) amounts)</i>			
Operating revenues:				
Service revenues	67,880	61,529	133,688	112,603
Sales of equipment and accessories	1,041	64	2,022	105
Other revenues	171	135	302	194
Total operating revenues	69,092	61,728	136,012	112,902
Revenue based taxes	(57)	(44)	(134)	(80)
Net operating revenues	69,035	61,684	135,878	112,822
Operating expenses:				
Service costs	14,251	14,090	29,154	24,546
Cost of equipment and accessories	974	56	1,955	95
Selling, general and administrative expenses	18,458	18,278	36,664	31,098
Depreciation	10,451	9,097	20,903	17,758
Amortization	2,257	2,383	4,705	4,018
Provision for doubtful accounts	394	371	981	879
Total operating expenses	46,785	44,275	94,362	78,394
Operating income	22,250	17,409	41,516	34,428
Other income and expenses:				
Interest income	600	583	1,100	940
Net foreign exchange gain/(loss)	10,612	608	(12,997)	5,096
Interest expense	(4,514)	(2,860)	(9,160)	(4,780)
Equity in net gain/(loss) of associates	184	-	(1,014)	-
Other income/(expenses), net	6	(60)	(185)	(258)
Total other income and expenses	6,888	(1,729)	(22,256)	998
Income before income taxes and noncontrolling interest	29,138	15,680	19,260	35,426
Income tax expense	6,303	4,221	5,318	8,967
Net income	22,835	11,459	13,942	26,459
Net income/(loss) attributable to the noncontrolling interest	236	350	(143)	763
Net income attributable to VimpelCom	22,599	11,109	14,085	25,696
Basic earnings per share:				
Net income attributable to VimpelCom per common share	446.43	218.69	278.25	505.96
Weighted average common shares outstanding (thousand)	50,622	50,797	50,620	50,787
Net income attributable to VimpelCom per ADS equivalent	22.32	10.93	13.91	25.30
Diluted earnings per share:				
Net income attributable to VimpelCom per common share	446.18	218.69	278.22	505.96
Weighted average diluted shares (thousand)	50,650	50,797	50,625	50,787
Net income attributable to VimpelCom per ADS equivalent	22.31	10.93	13.91	25.30





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VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Open Joint Stock Company "Vimpel-Communications" Unaudited Condensed Consolidated Balance Sheets

	June 30, 2009	December 31, 2008
	<i>(In millions of Russian rubles)</i>	
Assets		
Current assets:		
Cash and cash equivalents	51,605	26,873
Trade accounts receivable, net of allowance for doubtful debt	13,550	13,974
Inventory	2,773	4,191
Deferred income taxes	2,170	2,432
Input value added tax	3,697	5,349
Due from related parties	8,930	4,942
Other current assets	5,899	12,941
Total current assets	<u>88,624</u>	<u>70,702</u>
Property and equipment, net	177,321	188,778
Telecommunication licenses, net	19,624	22,470
Goodwill	99,974	102,148
Other intangible assets, net	23,423	25,935
Software, net	13,859	16,134
Investments in associates	14,042	14,501
Other assets	24,012	21,314
Total assets	<u><u>460,879</u></u>	<u><u>461,982</u></u>
Liabilities and equity		
Current liabilities:		
Accounts payable	15,216	26,409
Due to employees	3,584	3,108
Due to related parties	324	142
Accrued liabilities	9,693	8,484
Taxes payable	9,104	4,471
Customer advances, net of VAT	9,030	12,492
Customer deposits	827	868
Short-term debt	70,157	56,093
Total current liabilities	<u>117,935</u>	<u>112,067</u>
Deferred income taxes	16,567	18,934
Long-term debt	179,368	191,963
Other non-current liabilities	5,012	3,608
Commitments, contingencies and uncertainties	-	-
Equity		
Convertible voting preferred stock (.005 rubles nominal value per share), 10,000,000 shares authorized; 6,426,600 shares issued and outstanding	-	-
Common stock (.005 rubles nominal value per share), 90,000,000 shares authorized; 51,281,022 shares issued (December 31, 2008: 51,281,022); 50,629,908 shares outstanding (December 31, 2008: 50,617,408)	3	3
Additional paid-in capital	42,719	42,624
Retained earnings	101,684	87,599
Accumulated other comprehensive (loss)/income	(1,813)	4,498
Treasury stock, at cost, 651,114 shares of common stock (December 31, 2008: 663,614)	(5,966)	(5,983)
Total VimpelCom shareholder's equity	<u>136,627</u>	<u>128,741</u>
Noncontrolling interest	5,370	6,669
Total equity	<u>141,997</u>	<u>135,410</u>
Total liabilities and equity	<u><u>460,879</u></u>	<u><u>461,982</u></u>



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

**Open Joint Stock Company “Vimpel-Communications”
Unaudited Condensed Consolidated Statements of Cash Flows**

	Six months ended June 30,	
	2009	2008
	<i>(In millions of Russian rubles)</i>	
Net cash provided by operating activities	55,648	43,575
Investing activities		
Purchases of property and equipment	(12,203)	(21,131)
Purchases of intangible assets	(399)	(900)
Acquisition of subsidiaries, net of cash acquired	-	(99,600)
Loan granted	-	(8,491)
Short-term deposits	-	(2,368)
Exercise of escrow cash deposit	-	4,856
Purchases of software and other assets, net	(4,192)	(4,062)
Purchase of noncontrolling interest in consolidated subsidiaries	(14)	(23,322)
Net cash used in investing activities	(16,808)	(155,018)
Financing activities		
Proceeds from bank and other loans	18,437	119,444
Proceeds from sale of treasury stock	-	413
Purchase of treasury stock	-	(988)
Repayments of bank and other loans	(33,173)	(7,615)
Payments of fees in respect of debt issues	(1,554)	(1,267)
Net proceeds from employee stock options	60	-
Payment of dividends to non controlling interest	(23)	-
Net cash (used in)/provided by financing activities	(16,253)	109,987
Effect of exchange rate changes on cash and cash equivalents	2,145	(221)
Net increase/(decrease) in cash and cash equivalents	24,732	(1,677)
Cash and cash equivalents at beginning of period	26,873	24,637
Cash and cash equivalents at end of period	51,605	22,960
Supplemental cash flow information		
Cash paid during the period:		
Income tax	5,792	7,932
Interest	9,335	3,038
Non-cash activities:		
Equipment acquired under financing agreements	6	1,320
Accounts payable for equipment and other long-lived assets	5,172	6,452
Acquisitions:		
Fair value of assets acquired	-	61,746
Fair value of noncontrolling interest acquired	-	1,152
Difference between the amount paid and the fair value of net assets acquired	-	76,224
Consideration for the acquisition of subsidiaries	-	(114,926)
Change in fair value of liabilities assumed	-	24,196



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Attachment C: Reconciliation Tables (Unaudited)

Reconciliation of Consolidated OIBDA
(In millions of Russian rubles)

OIBDA Consolidated Total	2Q '09	2Q '08	1Q '09
OIBDA	34,958	28,889	32,166
Depreciation	(10,451)	(9,097)	(10,452)
Amortization	(2,257)	(2,383)	(2,448)
Operating income	22,250	17,409	19,266

Reconciliation of OIBDA Margin

OIBDA Margin Consolidated Total	2Q '09	2Q '08	1Q '09
OIBDA margin	50.6%	46.8%	48.1%
Less: Depreciation as a percentage of net operating revenues	(15.1%)	(14.7%)	(15.6%)
Less: Amortization as a percentage of net operating revenues	(3.3%)	(3.9%)	(3.7%)
Operating income as a percentage of net operating revenues	32.2%	28.2%	28.8%



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Attachment D: Capex Development

CAPEX (RUR, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Total capex	5,027	15,689	-68.0%	3,925	28.1%
Russia	3,440	10,010	-65.6%	3,070	12.1%
CIS	817	5,645	-85.5%	416	96.4%
Kazakhstan	376	1,311	-71.3%	191	96.9%
Ukraine	95	1,279	-92.6%	96	-1.0%
Armenia	12	494	-97.6%	9	33.3%
Uzbekistan	241	1,955	-87.7%	50	382.0%
Tajikistan	24	319	-92.5%	15	60.0%
Georgia	69	287	-76.0%	55	25.5%
Other	770	34	2164.7%	439	75.4%



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Attachment E: Key Financial Results in US Dollars (Convenience Translation)

CONSOLIDATED OPERATIONS (US\$, millions)	2Q '09	2Q '08	y-o-y	1Q '09	q-o-q
Net operating revenues	2,143	2,611	-17.9%	1,970	8.8%
OIBDA	1,085	1,223	-11.3%	948	14.5%
OIBDA margin, %	50.6%	46.8%		48.1%	
Operating income	691	737	-6.2%	568	21.7%
Operating income margin, %	32.2%	28.2%		28.8%	
SG&A	573	774	-26.0%	537	6.7%
including Sales & Marketing Expenses	168	215	-21.9%	156	7.7%
including General & Administrative Costs	405	559	-27.5%	380	6.6%
SG&A percentage	26.7%	29.6%		27.3%	
Net income (loss)	702	470	49.4%	-251	n/a
Net income (loss) per common share, basic (US\$)	13.86	9.26		-4.96	
Net income (loss) per ADS equivalent, basic (US\$)	0.69	0.46		-0.25	
Capital expenditures	156.0	664.0	-76.5%	115.7	34.9%



VimpelCom Announces Second Quarter 2009 Financial and Operating Results

Attachment F: Average Rates of Functional Currencies to Ruble*

Functional Currency/ 1 RUR		1Q '08	2Q '08	3Q '08	4Q '08	1Q '09	2Q '09
Kazakhstan	KZT	4.9690	5.1038	4.9540	4.4077	4.0948	4.6771
Ukraine	UAH	0.2081	0.2101	0.2003	0.2274	0.2281	0.2376
Tajikistan	USD	0.0412	0.0423	0.0412	0.0367	0.0295	0.0311
Uzbekistan	USD	0.0412	0.0423	0.0412	0.0367	0.0295	0.0311
Armenia	AMD	12.6926	13.0012	12.4664	11.2309	9.6090	11.5227
Georgia	GEL	0.0641	0.0612	0.0582	0.0568	0.0495	0.0515
Cambodia	USD						0.0311

* Functional currencies in Tajikistan, Uzbekistan and Cambodia are US dollars.

