



4 / June / 2008

VIMPELCOM ANNOUNCES FIRST QUARTER 2008 FINANCIAL AND OPERATING RESULTS

Moscow and New York (June 4, 2008) - Open Joint Stock Company "Vimpel-Communications" ("VimpelCom" or the "Company") (NYSE: VIP), a leading provider of telecommunications services in Russia and the Commonwealth of Independent States (CIS) today announced its financial and operating results for the quarter ended March 31, 2008.

Financial and Operating Highlights

- Net operating revenues reached \$2,108 million, an increase of 41.7% versus 1Q2007.
- OIBDA reached \$1,126 million, an increase of 47.0% versus 1Q2007.
- OIBDA margin was 53.4%, including 55.2% in Russia and 50.4% in Kazakhstan.
- Net income totaled \$601 million, an increase of 117.0% versus 1Q2007.
- Active mobile subscribers increased by 6.5 million versus 1Q2007, reaching 52.3 million.
- Acquisition of Golden Telecom was completed on February 28, 2008.
- The Board of Directors proposed a dividend of \$0.58* per ADS, an increase of 81% compared to the previous year.

* On April 16, 2008, VimpelCom's Board of Directors recommended a dividend of 270.01 rubles per ordinary share. Last year's dividends were approved at 166.88 rubles per ordinary share. Dividends per ADS was calculated only for information purposes given the Russian Central Bank exchange rate and the ratio of ADS to ordinary shares on the date of the respective Board recommendations. The actual amount in US\$ to be paid to the ADS-holders in case of the AGM approval will depend on the exchange rate around the payment date and any required withholding tax.

4 / June /2008

VimpelCom Announces First Quarter 2008 Financial and Operating Results

Commenting on today's announcement, Alexander Izosimov, Chief Executive Officer of VimpelCom, said, "The first quarter of 2008 should be viewed as the beginning of a new era for VimpelCom. Completion of the Golden Telecom acquisition has opened an entirely new set of growth opportunities which, when realized, should further strengthen our position in the Russian telecom sector.

"Meanwhile our mobile business continues to show strong financial results. We are growing revenues and OIBDA in virtually all of our markets, in spite of the negative impact of economic problems in Central Asia, particularly in Kazakhstan.

"With an OIBDA margin above 50% and a revenue growth rate above 40%, VimpelCom remains a rare example of a large, fast growing and highly profitable business. The underlying strength of our core business coupled with new opportunities of being an integrated player should provide a robust platform for our future growth ambitions."



VimpelCom Announces First Quarter 2008 Financial and Operating Results

Changes in Definitions and Reported Data

Beginning with this quarterly report, we have made significant changes in the reporting structure in order to reflect the integration with Golden Telecom, which we began to consolidate into VimpelCom's accounts starting from March 1, 2008.

Adjusting to the new complexity of the business we now consolidate our revenues along four segments: two geographic segments (Russia and the CIS) and two business segments (Mobile and Fixed). Fixed-line operations in Armenia (representing \$36.2 million of revenue in the first quarter of 2008) are now reflected within the CIS fixed-line segment, while the results of Golden Telecom's mobile operations in Ukraine (representing \$0.5 million of revenue in March 2008) are now part of the mobile business segment in the CIS.

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.

We discontinued providing registered subscriber base numbers, completely shifting to active base. We have also aligned our churn rate reporting to the three month active subscriber base, which we believe is the most meaningful way of reporting. Consequently, this shift caused a step-change in our reported subscriber market share.

Within sales, general and administrative costs (SG&A) we now provide an explicit breakdown between general and administrative costs (G&A) and sales and marketing costs (S&M). As sales and marketing costs include all of the relevant costs of subscriber acquisitions, retention and usage stimulation, we believe these measures provide more accurate information than subscriber acquisition costs. Previously part of our S&M costs was shown in G&A.

A country-by-country CAPEX breakdown can be found in Attachment D.

A detailed country-by-country breakdown of the main financial and operating data can be found in the file entitled FinancialOperatingQ12008.xls on our website at <http://www.vimpelcom.com/news/qrep.wbp>.



VimpelCom Announces First Quarter 2008 Financial and Operating Results

Key Consolidated Financial and Operating Results

CONSOLIDATED OPERATIONS (US\$, mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenues	2,108	1,488	41.7%	2,010	4.9%
OIBDA	1,126	766	47.0%	918	22.7%
OIBDA margin, %	53.4%	51.5%		45.7%	
SG&A	528	439	20.3%	716	-26.3%
including Sales & Marketing Expenses	187	136	37.5%	219	-14.6%
including General & Administrative Costs	341	303	12.5%	497	-31.4%
SG&A percentage	25.0%	29.5%		35.6%	
Net income	601	277	117.0%	368	63.3%
Net income per common share, (US\$)	11.84	5.45	117.2%	7.25	63.3%
Net income per ADS equivalent*, (US\$)	0.59	0.27	118.5%	0.36	63.9%
Capital expenditures	358	303	18.2%	796	-55.0%
Mobile subscribers ('000)	52,293	45,784	14.2%	51,740	1.1%
Broadband internet service subscribers ('000)	534	n/a		n/a	

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

Net operating revenue 1Q 2008 (US\$ mln)	Russia	CIS	Eliminations	Total
Mobile business	1,675	271	-2	1,944
Fixed business	132	47	-4	175
Eliminations	-10	-1		-11
Total net operating revenue	1,797	317	-6	2,108



VimpelCom Announces First Quarter 2008 Financial and Operating Results

RUSSIA (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenues	1,797	1,279	40.5%	1,702	5.6%
OIBDA	992	676	46.7%	773	28.3%
OIBDA margin, %	55.2%	52.9%		45.4%	
SG&A	434	375	15.7%	633	-31.4%
including Sales & Marketing Expenses	158	114	38.6%	186	-15.1%
including General & Administrative Costs	276	261	5.7%	447	-38.3%
SG&A percentage	24.2%	29.3%		37.2%	
Net income	616	280	120.0%	364	69.2%

Our Russian operations continue to show year-on-year revenue growth over 40% with a record-high OIBDA margin. In the first quarter our OIBDA in the Russian mobile segment reached \$959 million. This includes a \$43 million reversal of our stock-price based compensation plans accruals, resulting mainly from the decline in VimpelCom's ADS price in the first quarter of 2008. However, even excluding this effect, the OIBDA margin of the Russian mobile segment stayed close to 55%.

With the acquisition of Golden Telecom, a cornerstone of our integrated operator strategy, we assumed substantial debt and absorbed a lower-margin business. The acquisition dictated a more conservative approach to the Russian mobile market aimed at preserving our margins and maximizing cash-flow by restricting marketing expenses and maintaining stable pricing.

Reduced marketing activities in a seasonally weak quarter resulted in a slight decline in ARPU, and, as a result, in mobile revenue compared to the previous quarter. Evidently, this decline was more than offset by the addition of fixed-line revenue for March.

Golden Telecom's revenue in Russia for the entire first quarter was approximately 61% higher than a year ago, driven by very good development in all business lines.

Now that the Golden Telecom transaction and the initial part of the integration are behind us, we plan to step up marketing activities in order to protect our revenue market share on the Russian mobile market.

The growth in our net income was disproportionately higher than the growth in our OIBDA, primarily due to a foreign exchange gain of \$185 million. This foreign exchange gain resulted mainly from the revaluation of our US dollar-denominated loans.



VimpelCom Announces First Quarter 2008 Financial and Operating Results

RUSSIA REVENUE (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenues	1,797	1,279	40.5%	1,702	5.6%
Mobile revenue	1,675	1,279	31.0%	1,702	-1.6%
Fixed revenue	132	n/a		n/a	
Eliminations	-10	n/a		n/a	

RUSSIA OPERATING DEVELOPMENT	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Active mobile subscribers ('000)	42,079	38,631	8.9%	42,221	-0.3%
Subscriber market share*, %	25.0%	31.2%		29.9%	
MOU, min	198.7	160.9	23.5%	204.1	-2.6%
ARPU, US\$	13.2	10.9	21.1%	13.5	-2.2%
Broadband internet service subscribers ('000)	530	n/a		n/a	

* Subscriber market share data presented here and in the following country tables are published by AC&M-Consulting. Starting from January 1, 2008 VimpelCom's subscriber market share is being reported solely on the basis of active subscribers, while previously it was based on registered subscribers. The drop in the reported market share in the first quarter is mainly caused by the change of reporting methodology.

RUSSIA OIBDA DEVELOPMENT (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
OIBDA Total	992	676	46.7%	773	28.3%
Mobile OIBDA	959	676	41.7%	773	23.9%
Fixed OIBDA	33	n/a		n/a	
Total OIBDA margin, %	55.2%	52.9%		45.4%	
Mobile OIBDA margin, %	57.2%	52.9%		45.4%	
Fixed OIBDA margin, %	25.0%	n/a		n/a	



VimpelCom Announces First Quarter 2008 Financial and Operating Results

CIS OPERATIONS (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenues	317	211	50.2%	314	1.0%
OIBDA	134	90	48.9%	145	-7.6%
OIBDA margin, %	42.3%	42.7%		46.2%	
SG&A	94	65	44.6%	84	11.9%
including Sales & Marketing Expenses	29	22	31.8%	33	-12.1%
including General & Administrative Costs	65	43	51.2%	51	27.5%
SG&A percentage	29.7%	30.8%		26.8%	
Net income	-14	-3		4	

Our operations in the CIS countries continue to demonstrate strong financial performance, with revenue growth of more than 50% and OIBDA margin over 40%. The main growth contributors are Kazakhstan and Ukraine, which now includes the Ukrainian business of Golden Telecom. We are also pleased with the growth in Uzbekistan, signs of improvements in Armenia, and continued strong growth in our smaller markets.

However, our business dynamics were affected by economic problems in the Central Asian republics. In Kazakhstan, our largest market, the economy suffered from a liquidity crisis, while Tajikistan and Uzbekistan were seriously impacted by extremely cold weather and power outages.

In Armenia we started to see positive trends and an increase in the number of active subscribers. We introduced our Beeline brand on the local market and accelerated our marketing activities. Our focus will remain on building market share and expanding fixed-mobile convergence opportunities.

Net income losses in the first quarter were caused mainly by one-off factors, such as a \$16 million write-off of equipment in Armenia in the course of modernizing the network.



VimpelCom Announces First Quarter 2008 Financial and Operating Results

CIS Revenues Development

KAZAKHSTAN (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenue	162.8	119.4	36.3%	174.6	-6.8%
Mobile	162.1	119.4	35.8%	174.6	-7.2%
Fixed	1.1	n/a		n/a	
Elimination	-0.4	n/a		n/a	

UKRAINE (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenue	44.8	16.3	174.8%	34.5	29.9%
Mobile	36.4	16.3	123.3%	34.5	5.5%
Fixed	8.9	n/a		n/a	
Elimination	-0.5	n/a		n/a	

ARMENIA (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenue	59.1	54.1	9.2%	59.8	-1.2%
Mobile	22.9	19.9	15.1%	23.5	-2.4%
Fixed	36.2	34.2	5.8%	36.3	-0.1%
Elimination	0.0	n/a		n/a	

UZBEKISTAN (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenue	39.5	18.2	117.0%	36.6	7.9%
Mobile	38.7	18.2	112.6%	36.6	5.7%
Fixed	0.8	n/a		n/a	
Elimination	0.0	n/a		n/a	



VimpelCom Announces First Quarter 2008 Financial and Operating Results

TAJIKISTAN (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenue	8.4	2.9	189.7%	8.1	3.7%
Mobile	8.4	2.9	189.7%	8.1	3.7%
Fixed	n/a	n/a		n/a	
Elimination	n/a	n/a		n/a	

GEORGIA (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Net operating revenue	2.4	0.03	7900%	0.9	166.7%
Mobile	2.4	0.03	7900%	0.9	166.7%
Fixed	n/a	n/a		n/a	
Elimination	n/a	n/a		n/a	

CIS REVENUES (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Eliminations	-0.9	n/a		n/a	
Mobile	270.9	176.7	53.3%	278.2	-2.6%
Fixed	47	34.2	37.4%	36.4	29.1%
Net operating revenue	317	210.9	50.3%	314.6	0.8%



VimpelCom Announces First Quarter 2008 Financial and Operating Results
CIS Operating Highlights

KAZAKHSTAN	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Active mobile subscribers ('000)	4,777	3,501	36.4%	4,603	3.8%
Subscriber market share*, %	39.5%	50.2%		46.5%	
MOU, min	99.1	72.3	37.1%	98.9	0.2%
ARPU, US\$	11.6	12.2	-4.9%	13.0	-10.8%

UKRAINE	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Active mobile subscribers ('000)	1,971	1,953	0.9%	1,941	1.5%
Subscriber market share*, %	3.5%	4.5%		4.8%	
MOU mobile, min	210.2	138.0	52.3%	183.2	14.7%
ARPU mobile, US\$	6.1	3.0	103.3%	5.6	8.9%
Broadband internet subscribers ('000)	4	n/a		n/a	
ARPU broadband, US\$	39.4	n/a		n/a	

ARMENIA	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Active mobile subscribers ('000)	520	440	18.2%	442	17.6%
Subscriber market share*, %	26.9%	37.3%		26.1%	
MOU mobile, min	158.9	141.3	12.5%	171.8	-7.5%
ARPU mobile, US\$	16.1	14.5	11.0%	17.4	-7.5%

UZBEKISTAN	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Active mobile subscribers ('000)	2,422	1,106	119.0%	2,120	14.2%
Subscriber market share*, %	33.6%	33.1%		37.3%	
MOU, min	265.3	242.2	9.5%	283.4	-6.4%
ARPU, US\$	5.8	6.7	-13.4%	6.8	-14.7%



4 / June /2008

VimpelCom Announces First Quarter 2008 Financial and Operating Results

TAJIKISTAN	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Active mobile subscribers ('000)	378	145	160.7%	339	11.5%
Subscriber market share*, %	15.9%	11.2%		18.1%	
MOU, min	205.8	205.8	0.0%	216.3	-4.9%
ARPU, US\$	8.0	8.7	-8.0%	9.0	-11.1%

GEORGIA	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Active mobile subscribers ('000)	146	7	1985.7%	73	100.0%
Subscriber market share*, %	5.3%	0.4%		3.7%	
MOU, min	87.1	47.9	81.8%	121.5	-28.3%
ARPU, US\$	7.4	3.2	131.3%	9.0	-17.8%

* Source: AC&M-Consulting. The drop in the reported market share is caused by the fact that starting from January 1, 2008 VimpelCom's market share is calculated on the basis of active subscribers, while before that date it was based on registered subscribers.



VimpelCom Announces First Quarter 2008 Financial and Operating Results
CIS OIBDA Development

CIS OIBDA (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
OIBDA total	134	90	48.9%	145	-7.6%
OIBDA margin, %	42.3%	42.7%		46.2%	
Mobile	112.8	73.7	53.1%	122.4	-7.8%
Fixed	21.5	16.2	32.7%	22.8	-5.7%

KAZAKHSTAN (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
OIBDA total	82.0	62.0	32.3%	92.2	-11.1%
OIBDA Margin, %	50.4%	51.9%		52.8%	
Mobile	81.6	62.0	31.6%	92.2	-11.5%
Fixed	0.4	n/a		n/a	

UKRAINE (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
OIBDA total	3.2	-6.5	n/a	3.6	-11.1%
OIBDA Margin, %	7.1%	n/a		10.4%	
Mobile	1.1	-6.5	n/a	3.6	-69.4%
Fixed	2.1	n/a		n/a	

ARMENIA (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
OIBDA total	29.1	27.3	6.6%	32.5	-10.5%
OIBDA Margin, %	49.2%	50.5%		54.3%	
Mobile	10.4	11.1	-6.3%	9.7	7.2%
Fixed	18.7	16.2	15.4%	22.8	-18.0%



VimpelCom Announces First Quarter 2008 Financial and Operating Results

UZBEKISTAN (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
OIBDA total	20.9	8.6	143.0%	17.8	17.4%
OIBDA Margin, %	52.9%	47.3%		48.6%	
Mobile	20.6	8.6	139.5%	17.8	15.7%
Fixed	0.3	n/a		n/a	

TAJIKISTAN (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
OIBDA total	1.3	-0.3	n/a	1.4	-7.1%
OIBDA Margin, %	15.5%	n/a		17.3%	
Mobile	1.3	-0.3	n/a	1.4	-7.1%
Fixed	n/a	n/a		n/a	

GEORGIA (US\$ mln)	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
OIBDA total	-2.2	-1.2	83.3%	-2.3	-4.3%
OIBDA Margin, %	n/a	n/a		n/a	
Mobile	-2.2	-1.2	83.3%	-2.3	-4.3%
Fixed	n/a	n/a		n/a	

For more information on financial and operating data of the CIS countries, please refer to the supplementary file **FinancialOperatingQ12008.xls** on our website at <http://www.vimpelcom.com/news/qrep.wbp>.



VimpelCom Announces First Quarter 2008 Financial and Operating Results

Recent Developments

On May 27, 2008, VimpelCom received the preliminary conclusion of the Russian Tax Inspectorate's review of VimpelCom's tax filings for the 2005 and 2006 financial years. According to this document, VimpelCom owes approximately \$54 million in additional taxes (excluding fines and penalties) for the respective years. Most of the claims are similar to the claims we received for previous financial years, and in the past we have been able to successfully reverse most of these claims in the Russian courts. On June 3, 2008, we submitted our preliminary objections to the Tax Inspectorate. We expect to receive a final tax claim in the near future and to appeal the final tax claim in the Russian courts to the extent that it is not reduced by our objections. We have not made any reserves for these tax claims, because we believe that the claims will ultimately be resolved in our favor.

The Company's management will discuss its first quarter results during a conference call and slide presentation on June 4, 2008 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 will be available through June 13, 2008. The slide presentation webcast will also be available for download on VimpelCom's website <http://www.vimpelcom.com>.

The VimpelCom Group is a telecommunications operator, providing voice and data services, covered through a range of wireless, fixed and broadband technologies. The Group includes companies operating in Russia, Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia and Armenia, in territories with a total population of about 250 million. VimpelCom was the first Russian company to list its shares on the New York Stock Exchange ("NYSE"). VimpelCom's ADSs are listed on the NYSE under the symbol "VIP".

This press release contains "forward-looking statements", as the phrase is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to the Company's strategic and development plans, including network development plans, developments in the telecommunications markets in which the Company operates, and the resolution of the tax claim for the financial years 2005 and 2006. 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



VimpelCom Announces First Quarter 2008 Financial and Operating Results

and the CIS and general economic developments in Russia and the CIS, continued volatility in the world economy, challenges to 3G and Far East tenders and/or litigation with third parties. The actual outcome may also differ materially if the Company is unable to obtain all necessary corporate approvals relating to its business (including approval of funding and specific transactions), if the Company is unable to successfully integrate newly-acquired businesses, including Golden Telecom, and other factors. As a result of such risks and uncertainties, there can be no assurance that the effects of competition or current or future changes in the political, economic and social environment or current or future regulation of the Russian and CIS telecommunications industries will not have a material adverse effect on the VimpelCom Group. Certain factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risks described in the Company's Annual Report on Form 20-F for the year ended December 31, 2007 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 First Quarter 2008 Financial and Operating Results

- Definitions and tables are attached –

Attachment A: Definitions

Active 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. 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 active subscribers during the period and dividing by the number of months in that period. Reconciliation of ARPU to service revenues and connection fees, the most directly comparable U.S. GAAP financial measure, is presented below in the tables section. The Company believes that ARPU provides useful information to investors because it is an indicator of the performance of the Company's business operations and assists management in budgeting. The Company also believes that ARPU provides management with useful information concerning usage and acceptance of the Company's services. ARPU should not be viewed in isolation or an alternative to other figures reported under U.S. GAAP.

Broadband internet service subscribers are those subscribers in the registered subscriber base who were a party to a revenue generating activity in the past three months and remained in the base at the end of the reported period. Such activities include monthly internet access using FTTB, xDSL and WiFi technologies.

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.

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 and is provided by AC&M-Consulting.



VimpelCom Announces First Quarter 2008 Financial and Operating Results

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

MOU (Monthly Average Minutes of Use per User) is calculated by dividing the total number of minutes of usage for incoming and outgoing calls during the relevant period (excluding guest roamers) by the average number of active subscribers during the period and dividing by the number of months in that period.

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.

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

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



VimpelCom Announces First Quarter 2008 Financial and Operating Results

Attachment B: VimpelCom financial statements

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

	Three months ended March 31,	
	2008	2007
	<i>(In thousands of US dollars, except per share (ADS) amounts)</i>	
Operating revenues:		
Service revenues and connection fees	\$ 2,105,272	\$ 1,486,192
Sales of handsets and accessories	1,679	1,522
Other revenues	2,447	966
Total operating revenues	2,109,398	1,488,680
Revenue based tax	(1,499)	(633)
Net operating revenues	2,107,899	1,488,047
Operating expenses:		
Service costs	430,994	265,326
Cost of handsets and accessories sold	1,611	1,728
Selling general and administrative expenses	528,445	439,467
Depreciation	356,992	269,172
Amortization	67,394	53,289
Provision for doubtful accounts	20,937	15,109
Total operating expenses	1,406,373	1,044,091
Operating income	701,526	443,956
Other income and expenses:		
Interest income	14,721	4,652
Interest expense	(79,137)	(45,805)
Net foreign exchange gain	185,008	16,729
Other expenses	(8,160)	(10,814)
Total other income and expenses	112,432	(35,238)
Income before income taxes and minority interest	813,958	408,718
Income taxes expense	195,628	119,946
Minority interest in net earnings of subsidiaries	17,045	11,497
Income before cumulative effect of change in accounting principle	601,285	277,275
Cumulative effect of changes in accounting principles	-	-
Net income	601,285	277,275
Net income per common share	\$ 11.84	\$ 5.45
Net income per ADS equivalent	\$ 0.59	\$ 0.27
Weighted average common shares outstanding (thousands)	50,777	50,892



VimpelCom Announces First Quarter 2008 Financial and Operating Results
**Open Joint Stock Company “Vimpel-Communications”
 Unaudited Condensed Consolidated Balance Sheets**

	March 31, 2008	December 31, 2007
	<i>(In thousands of US dollars)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 620,680	\$ 1,003,711
Trade accounts receivable	525,599	281,396
Other current assets	685,934	441,810
Total current assets	<u>1,832,213</u>	<u>1,726,917</u>
Non-current assets		
Property and equipment, net	6,879,895	5,497,819
Telecommunication licenses and allocation of frequencies, net	1,062,501	915,211
Other intangible assets, net	4,946,283	1,302,318
Other assets	1,305,242	1,126,619
Total non-current assets	<u>14,193,921</u>	<u>8,841,967</u>
Total assets	<u>\$ 16,026,134</u>	<u>\$ 10,568,884</u>
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$634,414	\$700,589
Customer advances and deposits	431,011	423,611
Short-term debt	968,772	526,512
Accrued liabilities	686,983	348,989
Total current liabilities	<u>2,721,180</u>	<u>1,999,701</u>
Deferred income taxes	945,265	576,276
Long-term debt	5,709,263	2,240,097
Accrued liabilities	66,688	52,614
Minority Interest	406,265	288,410
Shareholders' equity	<u>6,177,473</u>	<u>5,411,786</u>
Total liabilities and shareholders' equity	<u>\$16,026,134</u>	<u>\$10,568,884</u>



VimpelCom Announces First Quarter 2008 Financial and Operating Results
**Open Joint Stock Company "Vimpel-Communications"
 Unaudited Condensed Consolidated Statements of Cash Flows**

	Three months ended March 31,	
	2008	2007
	<i>(In thousands of US dollars)</i>	
Net cash provided by operating activities	\$ 859,919	\$ 655,865
Proceeds from bank and other loans	3,708,000	228,594
Sale of treasury stock	800	8,087
Payments of fees in respect of bank loans	(32,449)	(382)
Repayment of bank and other loans	(109,754)	(94,593)
Net cash provided by financing activities	3,566,597	141,706
Sale of short-term investments	42,203	-
Purchase of property and equipment	(392,363)	(279,988)
Acquisition of subsidiaries, net of cash	(4,225,662)	-
Late payment of purchase price		(12,688)
Purchase of intangible assets	(17,678)	(5,161)
Purchase of software	(74,150)	(98,864)
Exercise of escrow cash deposit	200,170	-
Loans granted	(350,000)	-
Purchase of other assets	(12,146)	(8,878)
Net cash used in investing activities	(4,829,626)	(405,579)
Effect of exchange rate changes on cash	20,079	2,068
Net increase (decrease) in cash	(383,031)	394,060
Cash and cash equivalents at beginning of period	1,003,711	344,494
Cash and cash equivalents at end of period	\$ 620,680	\$ 738,554
Supplemental cash flow information		
Cash paid during the period:		
Income tax	\$ 185,725	\$ 122,062
Interest	\$ 42,498	\$ 25,813
Non-cash activities:		
Equipment acquired under financing and capital lease agreements	37,204	17,102
Accounts payable for equipment and other long-lived assets	248,913	140,413
Acquisitions:		
Fair value of assets acquired	2,577,164	-
Difference between the amount paid and the fair value of net assets acquired	2,746,221	-
Cash paid for the capital stock	(4,315,020)	-
Liabilities assumed	\$ 1,008,365	-



VimpelCom Announces First Quarter 2008 Financial and Operating Results
Attachment C: Reconciliation Tables (Unaudited)
Consolidated
Reconciliation of OIBDA
(In millions of US dollars)

OIBDA Consolidated Total	Three months ended		
	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
OIBDA	1,126	766	918
Depreciation	(357)	(269)	(331)
Amortization	(67)	(53)	(56)
Operating income	702	444	531

Reconciliation of OIBDA Margin

OIBDA Margin Consolidated Total	Three months ended		
	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
OIBDA margin	53.4%	51.5%	45.7%
Less: Depreciation as a percentage of net operating revenue	(16.9%)	(18.1%)	(16.5%)
Less: Amortization as a percentage of net operating revenue	(3.2%)	(3.6%)	(2.8%)
Operating income as a percentage of net operating revenue	33.3%	29.8%	26.4%



VimpelCom Announces First Quarter 2008 Financial and Operating Results
Attachment D: Capex Development

CAPEX (in US\$ millions)	Three months				
	1Q 2008	1Q 2007	y-o-y	4Q 2007	q-o-q
Total capex	358.5	303.5	18.1%	795.8	-55.0%
Russia	212.5	199.6	6.5%	467.2	-54.5%
CIS	146.0	103.9	40.5%	328.6	-55.6%
Kazakhstan	42.6	31.2	36.5%	96.4	-55.8%
Ukraine	26.6	29.3	-9.2%	55.2	-51.8%
Armenia	14.6	5.4	170.4%	44.3	-67.0%
Uzbekistan	48.0	7.9	507.6%	83.6	-42.6%
Tajikistan	7.2	13.5	-46.7%	20.2	-64.4%
Georgia	7.0	16.6	-57.8%	28.9	-75.8%

