



# VIMPELCOM ANNOUNCES FOURTH QUARTER AND AUDITED ANNUAL 2008 FINANCIAL AND OPERATING RESULTS

Moscow and New York (May 13, 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 and year ended December 31, 2008.

## Full Year 2008 Financial and Operating Highlights

- Net operating revenues reached \$10,117 million, an increase of 41.1% versus 2007.
- OIBDA reached \$4,860 million, an increase of 35.1% versus 2007.
- Consolidated OIBDA margin was 48.0%, including 48.9% in Russia and 51.4% in Kazakhstan.
- Net income totaled \$524 million, a reduction of 64.2% versus 2007, reflecting strong adverse currency impact and charges related to impairment loss.
- Operating cash flow for the year amounted to \$3,422 million.

## Fourth Quarter 2008 Financial and Operating Highlights

- Net operating revenues reached \$2,555 million, an increase of 27.1% versus 4Q07.
- OIBDA reached \$1,124 million, an increase of 22.4% versus 4Q07.
- Consolidated OIBDA margin was 44.0% including the fixed-line business.
- Net loss amounted to \$816 million, reflecting \$1,012 million loss due to currency devaluation and \$443 million impairment loss.
- Mobile subscribers increased by 3.3 million versus 3Q08, reaching 61.0 million.

## **VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results**

Commenting on today's announcement, Boris Nemsic, Chief Executive Officer of VimpelCom, said, "2008 was an important year in the development of VimpelCom. We significantly expanded both the scale and scope of our business. Our consolidated revenues passed the \$10 billion mark and the consolidated OIBDA margin stayed close to 50%. Operating cash flow exceeded \$3.4 billion. The scale and scope of our business, good cash flow generation and a broad range of anti-crisis measures we have been implementing make us confident that VimpelCom will be able to get through the period of macroeconomic uncertainty and sustain its leadership position".

In commenting on the announcement, Elena Shmatova, Chief Financial Officer of VimpelCom, said, "Considering the importance and scarcity of liquidity in the current market environment we continue to optimize our debt portfolio. The signing of loan agreements with Sberbank in March was one of the steps we are taking in this regard."

The economic turmoil in the fourth quarter of 2008 marked the beginning of a different economic environment, which will test the robustness of the business. Our operations in Russia and the CIS showed resilience, delivering 41.1% growth in net operating revenues year-on-year, but more importantly maintaining local currency revenues in line with the previous quarter.

At the same time, in the first months of 2009, we see that the economic conditions in all our markets are deteriorating with a substantial drop in industrial production and growing unemployment. We anticipate that these developments could have a negative impact on the telecom sector. Therefore, while defending our market position, we continue to focus our efforts on cost reduction, operational excellence and effective cash management.



## VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results

### Key Consolidated Financial and Operating Results

| CONSOLIDATED OPERATIONS (US\$, millions)     | 4Q 2008 | 4Q 2007** | y-o-y | 3Q 2008 | q-o-q  | 2008    | 2007**  | y-o-y  |
|--|---------|-----------|-------|---------|--------|---------|---------|--------|
| Net operating revenues                       | 2,555   | 2,010     | 27.1% | 2,843   | -10.1% | 10,117  | 7,171   | 41.1%  |
| OIBDA*                                       | 1,124   | 918       | 22.4% | 1,388   | -19.0% | 4,860   | 3,597   | 35.1%  |
| OIBDA margin, %                              | 44.0%   | 45.7%     |       | 48.8%   |        | 48.0%   | 50.2%   |        |
| Net income (loss)                            | -816    | 368       | n/a   | 269     | n/a    | 524     | 1,463   | -64.2% |
| Net income (loss) per common share, (US\$)   | -16.12  | 7.25      |       | 5.31    |        | 10.34   | 28.78   |        |
| Net income (loss) per ADS equivalent, (US\$) | -0.81   | 0.36      |       | 0.27    |        | 0.52    | 1.44    |        |
| Capital expenditures                         | 855.5   | 795.8     | 7.5%  | 692.9   | 23.5%  | 2,570.8 | 1,772.8 | 45.0%  |
| Mobile subscribers ('000)                    | 61,029  | 51,740    | 18.0% | 57,758  | 5.7%   | 61,029  | 51,740  | 18.0%  |
| Broadband subscribers ('000)                 | 1,206   | n/a       |       | 780     |        | 1,206   | n/a     |        |

\*See definitions in Attachment A.

\*\* 2007 figures here and below do not include Golden Telecom operations

| Net operating revenues 4Q 2008* (US\$ millions) | Russia | CIS | Eliminations | Total |
|---|--------|-----|--------------|-------|
| Mobile business                                 | 1,797  | 354 | -3           | 2,148 |
| Fixed business                                  | 439    | 73  | -13          | 499   |
| Eliminations                                    | -79    | -7  | -6           | -92   |
| Total net operating revenue                     | 2,157  | 420 | -22          | 2,555 |

\* 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.

While we have not seen a direct immediate impact of the economic crisis on our operations during the fourth quarter, our financial results were affected by the sharp devaluation of local currencies in Russia and Ukraine.

This resulted in a \$1,012 million quarterly net foreign exchange loss related primarily to revaluation of our long-term foreign currency debt. Furthermore, a significant drop in currency exchange rates and increased risk perception resulted in a \$443 million impairment of goodwill and long-lived assets related to acquisitions made in Russia and Ukraine.

Consequently, our fourth quarter income statement showed a net loss of \$816 million. If we exclude the foreign currency exchange losses and impairment losses, our income before tax, adjusted for the fourth quarter would have been \$639 million (Attachment F).

As of year end our debt obligations due in 2009 constituted approximately \$1,909 million. Our closing cash balance on December 31<sup>st</sup> was \$915 million.



## VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results

### Russia - Financial and Operating Results

| RUSSIA (US\$ millions)                   | 4Q<br>2008 | 4Q<br>2007 | y-o-y | 3Q<br>2008 | q-o-q  | 2008  | 2007  | y-o-y  |
|--|------------|------------|-------|------------|--------|-------|-------|--------|
| Net operating revenues                   | 2,157      | 1,702      | 26.7% | 2,426      | -11.1% | 8,619 | 6,094 | 41.4%  |
| OIBDA                                    | 948        | 773        | 22.6% | 1,215      | -22.0% | 4,215 | 3,101 | 35.9%  |
| OIBDA margin, %                          | 43.9%      | 45.4%      |       | 50.1%      |        | 48.9% | 50.9% |        |
| SG&A                                     | 667        | 633        | 5.4%  | 627        | 6.4%   | 2,384 | 1,903 | 25.3%  |
| including Sales & Marketing Expenses     | 246        | 186        | 32.3% | 203        | 21.2%  | 787   | 600   | 31.2%  |
| including General & Administrative Costs | 421        | 447        | -5.8% | 424        | -0.7%  | 1,597 | 1,303 | 22.6%  |
| SG&A percentage                          | 30.9%      | 37.2%      |       | 25.8%      |        | 27.7% | 31.2% |        |
| Net income (loss)                        | -445       | 364        | n/a   | 259        | n/a    | 880   | 1,422 | -38.1% |

Our quarterly revenues in Russia showed year-on-year growth of 26.7% in US dollar terms. In local currency terms, the revenues grew by 40.0%. The quarterly consolidated OIBDA margin in Russia was 43.9%, down from 50.1% reported in the previous quarter.

In the mobile segment, we reported 5.6% year-on-year growth in quarterly mobile revenues in US dollar terms or 16.7% in ruble terms. Mobile OIBDA margin decreased to 46.7% when compared to 54.2% reported in the previous quarter mainly due to focused seasonal sales efforts, more intensive marketing activities and costs of 3G handsets sales launched during the quarter.

The mobile business remains competitively very agile and capable of responding effectively to market challenges. Our retail distribution strategy is paying off, as we added more than 5 million active mobile subscribers in the second half of 2008. Usage in the fourth quarter remained stable as illustrated by flat MOU.

Our fixed-line revenue increased by 10.9% in local currency terms in fourth quarter 2008 compared to the third quarter 2008. OIBDA margin remained stable reflecting our cost reduction efforts and ability to defend our price levels. However, deteriorating macroeconomic factors forced us to recognize a \$315 million impairment loss related to our acquisition of Golden Telecom in February 2008.

We continue increasing our foothold in the fast growing residential broadband market in Russia providing both fixed and mobile solutions. By the year end we operated FTTB networks in 47 cities and 3G networks in 40 cities. In the fourth quarter of 2008 our total number of residential broadband subscribers in Russia including FTTB and 3G increased by 0.4 million subscribers and reached 1.2 million.



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| <b>RUSSIA REVENUES (US\$ millions)</b> | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|--|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Net operating revenues                 | 2,157          | 1,702          | 26.7%        | 2,426          | -11.1%       | 8,619       | 6,094       | 41.4%        |
| Mobile revenues                        | 1,797          | 1,702          | 5.6%         | 2,037          | -11.8%       | 7,372       | 6,094       | 21.0%        |
| Fixed revenues                         | 439            | n/a            |              | 445            | -1.3%        | 1,429       | n/a         |              |
| Eliminations                           | -79            | n/a            |              | -56            | n/a          | -182        | n/a         |              |

| <b>RUSSIA OIBDA DEVELOPMENT (US\$ millions)</b> | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|---|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| OIBDA Total                                     | 948            | 773            | 22.6%        | 1,215          | -22.0%       | 4,215       | 3,101       | 35.9%        |
| Mobile OIBDA                                    | 840            | 773            | 8.7%         | 1,104          | -23.9%       | 3,872       | 3,101       | 24.9%        |
| Fixed OIBDA                                     | 108            | n/a            |              | 111            | -2.7%        | 343         | n/a         |              |
| Total OIBDA margin, %                           | 43.9%          | 45.4%          |              | 50.1%          |              | 48.9%       | 50.9%       |              |
| Mobile OIBDA margin, %                          | 46.7%          | 45.4%          |              | 54.2%          |              | 52.5%       | 50.9%       |              |
| Fixed OIBDA margin, %                           | 24.6%          | n/a            |              | 24.9%          |              | 24.0%       | n/a         |              |

| <b>RUSSIA OPERATING DEVELOPMENT</b>      | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|--|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Mobile subscribers ('000)                | 47,677         | 42,221         | 12.9%        | 45,093         | 5.7%         | 47,677      | 42,221      | 12.9%        |
| Subscriber market share <sup>*</sup> , % | 25.4%          | 29.9%          |              | 25.1%          |              | 25.4%       | 29.9%       |              |
| MOU, min                                 | 227.8          | 204.1          | 11.6%        | 228.5          | -0.3%        | 219.1       | 192.1       | 14.1%        |
| ARPU mobile, US\$                        | 12.5           | 13.5           | -7.4%        | 15.2           | -17.8%       | 13.9        | 12.6        | 10.3%        |
| Broadband subscribers ('000)             | 1,182          | n/a            |              | 764            | 54.7%        | 1,182       | 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 fourth quarter of 2008 as compared to the fourth quarter of 2007 is caused by the change of reporting methodology.



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### CIS - Financial and Operating Results

| CIS OPERATIONS (US\$ millions)           | 4Q<br>2008 | 4Q<br>2007 | y-o-y | 3Q<br>2008 | q-o-q | 2008    | 2007    | y-o-y |
|--|------------|------------|-------|------------|-------|---------|---------|-------|
| Net operating revenues                   | 419.6      | 314.4      | 33.5% | 439.8      | -4.6% | 1,564.3 | 1,091.2 | 43.4% |
| OIBDA                                    | 179.3      | 145.2      | 23.5% | 174.7      | 2.6%  | 652.6   | 495.9   | 31.6% |
| OIBDA margin, %                          | 42.7%      | 46.2%      |       | 39.7%      |       | 41.7%   | 45.4%   |       |
| SG&A                                     | 116.9      | 83.9       | 39.3% | 121.4      | -3.7% | 448.0   | 304.6   | 47.1% |
| including Sales & Marketing Expenses     | 39.5       | 33.1       | 19.3% | 39.1       | 1.0%  | 141.6   | 108.3   | 30.7% |
| including General & Administrative Costs | 77.4       | 50.8       | 52.4% | 82.3       | -6.0% | 306.4   | 196.3   | 56.1% |
| SG&A percentage                          | 27.9%      | 26.7%      |       | 27.6%      |       | 28.6%   | 27.9%   |       |
| Net income (loss)                        | -278.5     | 4.6        | n/a   | 13.3       | n/a   | -257.1  | 40.5    | n/a   |

Our total quarterly revenues from the CIS markets increased year-on-year by 33.5% to approximately \$420 million and OIBDA grew by 23.5% to \$179 million. The CIS markets now represent 16% of the total group consolidated revenues and OIBDA.

In 2008, we observed both a good increase in subscriber numbers and strong annual revenue growth across all markets where we operate. During the turbulent fourth quarter the CIS business showed resilience and maintained stable margin levels, as we had not yet seen the full impact of the economic crisis.

The currency devaluation in Ukraine during the fourth quarter resulted in a foreign exchange loss of \$231 million and triggered an impairment write off of \$90 million related to our operations of URS.



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### CIS Revenues Development

| <b>KAZAKHSTAN (US\$ mln)</b> | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|------------------------------|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Net operating revenues       | 196.9          | 174.6          | 12.8%        | 198.6          | -0.9%        | 743.6       | 610.5       | 21.8%        |
| Mobile                       | 193.7          | 174.6          | 10.9%        | 195.9          | -1.1%        | 734.2       | 610.5       | 20.3%        |
| Fixed                        | 7.1            | n/a            |              | 6.0            | 18.3%        | 19.1        | n/a         |              |
| Elimination                  | -3.9           | n/a            |              | -3.3           |              | -9.7        | n/a         |              |

| <b>UKRAINE (US\$ mln)</b> | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|---------------------------|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Net operating revenues    | 70.5           | 34.5           | 104.3%       | 94.2           | -25.2%       | 280.7       | 111.6       | 151.5%       |
| Mobile                    | 47.5           | 34.5           | 37.7%        | 68.2           | -30.4%       | 197.8       | 111.6       | 77.2%        |
| Fixed                     | 26.4           | n/a            |              | 32.5           | -18.8%       | 96.1        | n/a         |              |
| Elimination               | -3.4           | n/a            |              | -6.5           |              | -13.2       | n/a         |              |

| <b>ARMENIA (US\$ mln)</b> | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|---------------------------|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Net operating revenues    | 63.7           | 59.8           | 6.5%         | 68.8           | -7.4%        | 256.2       | 235.8       | 8.7%         |
| Mobile                    | 27.2           | 23.5           | 15.7%        | 31.6           | -13.9%       | 108.0       | 92.4        | 16.9%        |
| Fixed                     | 36.5           | 36.3           | 0.6%         | 37.2           | -1.9%        | 148.2       | 143.4       | 3.3%         |
| Elimination               | 0.0            | 0.0            |              | 0.0            |              | 0.0         | 0.0         |              |

| <b>UZBEKISTAN (US\$ mln)</b> | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|------------------------------|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Net operating revenues       | 66.5           | 36.5           | 82.2%        | 58.4           | 13.9%        | 216.4       | 108.1       | 100.2%       |
| Mobile                       | 63.5           | 36.5           | 74.0%        | 55.5           | 14.4%        | 207.1       | 108.1       | 91.6%        |
| Fixed                        | 3.0            | n/a            |              | 2.9            | 3.4%         | 9.3         | n/a         |              |
| Elimination                  | 0.0            | n/a            |              | 0.0            |              | 0.0         | n/a         |              |

| <b>TAJIKISTAN (US\$ mln)</b> | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|------------------------------|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Net operating revenues       | 16.4           | 8.1            | 102.5%       | 14.8           | 10.8%        | 50.8        | 23.8        | 113.4%       |
| Mobile                       | 16.4           | 8.1            | 102.5%       | 14.8           | 10.8%        | 50.8        | 23.8        | 113.4%       |

| <b>GEORGIA (US\$ mln)</b> | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|---------------------------|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Net operating revenues    | 5.9            | 0.9            | 555.6%       | 5.4            | 9.3%         | 17.7        | 1.5         | 1080%        |
| Mobile                    | 5.9            | 0.9            | 555.6%       | 5.4            | 9.3%         | 17.7        | 1.5         | 1080%        |

| <b>CIS (US\$ mln)</b>  | <b>4Q 2008</b> | <b>4Q 2007</b> | <b>y-o-y</b> | <b>3Q 2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|------------------------|----------------|----------------|--------------|----------------|--------------|-------------|-------------|--------------|
| Net operating revenues | 419.6          | 314.4          | 33.5%        | 439.8          | -4.6%        | 1,564.3     | 1,091.2     | 43.4%        |
| Mobile                 | 354.1          | 278.1          | 27.3%        | 371.2          | -4.6%        | 1,315.0     | 947.8       | 38.7%        |
| Fixed                  | 73.0           | 36.3           | 101.1%       | 78.6           | -7.1%        | 272.7       | 143.4       | 90.2%        |
| Elimination            | -7.5           | 0.0            |              | -10.0          |              | -23.4       | 0.0         |              |



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### CIS OIBDA Development

| KAZAKHSTAN (US\$ mln) | 4Q 2008 | 4Q 2007 | y-o-y | 3Q 2008 | q-o-q | 2008  | 2007  | y-o-y |
|-----------------------|---------|---------|-------|---------|-------|-------|-------|-------|
| OIBDA total           | 97.7    | 92.2    | 6.0%  | 106.1   | -7.9% | 382.2 | 322.6 | 18.5% |
| Mobile                | 93.8    | 92.2    | 1.7%  | 102.9   | -8.8% | 372.5 | 322.6 | 15.5% |
| Fixed                 | 3.9     | n/a     |       | 3.2     | 21.9% | 9.7   | n/a   |       |
| OIBDA Margin, %       | 49.6%   | 52.8%   |       | 53.4%   |       | 51.4% | 52.8% |       |

| UKRAINE (US\$ mln) | 4Q 2008 | 4Q 2007 | y-o-y  | 3Q 2008 | q-o-q  | 2008 | 2007 | y-o-y  |
|--------------------|---------|---------|--------|---------|--------|------|------|--------|
| OIBDA total        | 11.6    | 3.6     | 222.2% | -1.6    | n/a    | 22.5 | 0.5  | 4400%  |
| Mobile             | 5.7     | 3.6     | 58.3%  | -8.9    | n/a    | 0.4  | 0.5  | -20.0% |
| Fixed              | 5.9     | n/a     |        | 7.3     | -19.2% | 22.1 | n/a  |        |
| OIBDA margin, %    | 16.5%   | 10.4%   |        | n/a     |        | 8.0% | 0.4% |        |

| ARMENIA (US\$ mln) | 4Q 2008 | 4Q 2007 | y-o-y  | 3Q 2008 | q-o-q  | 2008  | 2007  | y-o-y |
|--------------------|---------|---------|--------|---------|--------|-------|-------|-------|
| OIBDA total        | 31.7    | 32.5    | -2.5%  | 33.5    | -5.4%  | 124.6 | 122.7 | 1.5%  |
| Mobile             | 12.5    | 9.7     | 28.9%  | 13.9    | -10.1% | 47.0  | 45.8  | 2.6%  |
| Fixed              | 19.2    | 22.8    | -15.8% | 19.6    | -2.0%  | 77.6  | 76.9  | 0.9%  |
| OIBDA Margin, %    | 49.8%   | 54.3%   |        | 48.7%   |        | 48.6% | 52.0% |       |

| UZBEKISTAN (US\$ mln) | 4Q 2008 | 4Q 2007 | y-o-y | 3Q 2008 | q-o-q | 2008  | 2007  | y-o-y  |
|-----------------------|---------|---------|-------|---------|-------|-------|-------|--------|
| OIBDA total           | 34.2    | 17.8    | 92.1% | 33.0    | 3.6%  | 115.9 | 54.7  | 111.9% |
| Mobile                | 33.0    | 17.8    | 85.4% | 32.0    | 3.1%  | 112.8 | 54.7  | 106.2% |
| Fixed                 | 1.2     | n/a     |       | 1.0     | 20.0% | 3.1   | n/a   |        |
| OIBDA Margin, %       | 51.4%   | 48.8%   |       | 56.5%   |       | 53.6% | 50.6% |        |

| TAJKISTAN (US\$ mln) | 4Q 2008 | 4Q 2007 | y-o-y  | 3Q 2008 | q-o-q | 2008  | 2007  | y-o-y  |
|----------------------|---------|---------|--------|---------|-------|-------|-------|--------|
| OIBDA total          | 5.3     | 1.4     | 278.6% | 4.8     | 10.4% | 14.0  | 2.8   | 400.0% |
| Mobile               | 5.3     | 1.4     | 278.6% | 4.8     | 10.4% | 14.0  | 2.8   | 400.0% |
| OIBDA Margin, %      | 32.3%   | 17.3%   |        | 32.4%   |       | 27.6% | 11.8% |        |

| GEORGIA (US\$ mln) | 4Q 2008 | 4Q 2007 | y-o-y | 3Q 2008 | q-o-q | 2008 | 2007 | y-o-y |
|--------------------|---------|---------|-------|---------|-------|------|------|-------|
| OIBDA total        | -1.2    | -2.3    | n/a   | -1.1    | n/a   | -6.6 | -7.4 | n/a   |
| Mobile             | -1.2    | -2.3    | n/a   | -1.1    | n/a   | -6.6 | -7.4 | n/a   |
| OIBDA Margin, %    | n/a     | n/a     |       | n/a     |       | n/a  | n/a  |       |

| CIS (US\$ mln)  | 4Q 2008 | 4Q 2007 | y-o-y | 3Q 2008 | q-o-q | 2008  | 2007  | y-o-y |
|-----------------|---------|---------|-------|---------|-------|-------|-------|-------|
| OIBDA total     | 179.3   | 145.2   | 23.5% | 174.7   | 2.6%  | 652.6 | 495.9 | 31.6% |
| Mobile          | 149.1   | 122.4   | 21.8% | 143.6   | 3.8%  | 540.1 | 419.0 | 28.9% |
| Fixed           | 30.2    | 22.8    | 32.5% | 31.1    | -2.9% | 112.5 | 76.9  | 46.3% |
| OIBDA margin, % | 42.7%   | 46.2%   |       | 39.7%   |       | 41.7% | 45.4% |       |





## VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results

### CIS Operating Highlights

| <b>KAZAKHSTAN</b>                          | <b>4Q<br/>2008</b> | <b>4Q<br/>2007</b> | <b>y-o-y</b> | <b>3Q<br/>2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|--|--------------------|--------------------|--------------|--------------------|--------------|-------------|-------------|--------------|
| Mobile subscribers ('000)                  | 6,270              | 4,604              | 36.2%        | 5,614              | 11.7%        | 6,270       | 4,604       | 36.2%        |
| Subscriber market share <sup>(*)</sup> , % | 43.4%              | 46.5%              |              | 41.2%              |              | 43.4%       | 46.5%       |              |
| MOU, min                                   | 100.5              | 98.9               | 1.6%         | 108.1              | -7.0%        | 104.3       | 94.6        | 10.3%        |
| ARPU mobile, US\$                          | 10.8               | 13.0               | -16.9%       | 12.1               | -10.7%       | 11.7        | 13.1        | -10.7%       |

| <b>UKRAINE</b>                             | <b>4Q<br/>2008</b> | <b>4Q<br/>2007</b> | <b>y-o-y</b> | <b>3Q<br/>2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|--|--------------------|--------------------|--------------|--------------------|--------------|-------------|-------------|--------------|
| Mobile subscribers ('000)                  | 2,052              | 1,941              | 5.7%         | 2,403              | -14.6%       | 2,052       | 1,941       | 5.7%         |
| Subscriber market share <sup>(*)</sup> , % | 3.6%               | 4.8%               |              | 4.3%               |              | 3.6%        | 4.8%        |              |
| MOU, min                                   | 230.0              | 183.2              | 25.5%        | 261.5              | -12.0%       | 231.8       | 163.2       | 42.0%        |
| ARPU mobile, US\$                          | 7.0                | 5.6                | 25.0%        | 9.7                | -27.8%       | 7.6         | 4.7         | 61.7%        |
| Broadband subscribers ('000)               | 24                 | n/a                |              | 16                 | 50.0%        | 24          | n/a         |              |
| ARPU broadband, US\$                       | 13.5               | n/a                |              | 15.7               | -14.0%       | 15.3        | n/a         |              |

| <b>ARMENIA</b>                             | <b>4Q<br/>2008</b> | <b>4Q<br/>2007</b> | <b>y-o-y</b> | <b>3Q<br/>2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|--|--------------------|--------------------|--------------|--------------------|--------------|-------------|-------------|--------------|
| Mobile subscribers ('000)                  | 544                | 442                | 23.1%        | 784                | -30.6%       | 544         | 442         | 23.1%        |
| Subscriber market share <sup>(*)</sup> , % | 21.2%              | 26.1%              |              | 30.5%              |              | 21.2%       | 26.1%       |              |
| MOU, min                                   | 150.0              | 171.8              | -12.7%       | 139.9              | 7.2%         | 152.1       | 169.9       | -10.5%       |
| ARPU mobile, US\$                          | 13.6               | 17.4               | -21.8%       | 13.9               | -2.2%        | 14.6        | 16.7        | -12.6%       |

| <b>UZBEKISTAN</b>                          | <b>4Q<br/>2008</b> | <b>4Q<br/>2007</b> | <b>y-o-y</b> | <b>3Q<br/>2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|--|--------------------|--------------------|--------------|--------------------|--------------|-------------|-------------|--------------|
| Mobile subscribers ('000)                  | 3,636              | 2,120              | 71.5%        | 3,148              | 15.5%        | 3,636       | 2,120       | 71.5%        |
| Subscriber market share <sup>(*)</sup> , % | 29.6%              | 37.3%              |              | 29.8%              |              | 29.6%       | 37.3%       |              |
| MOU, min                                   | 288.6              | 283.4              | 1.8%         | 298.5              | -3.3%        | 287.8       | 274.0       | 5.0%         |
| ARPU mobile, US\$                          | 6.5                | 6.8                | -4.4%        | 6.5                | 0.0%         | 6.4         | 7.1         | -9.9%        |

| <b>TAJIKISTAN</b>                          | <b>4Q<br/>2008</b> | <b>4Q<br/>2007</b> | <b>y-o-y</b> | <b>3Q<br/>2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|--|--------------------|--------------------|--------------|--------------------|--------------|-------------|-------------|--------------|
| Mobile subscribers ('000)                  | 625                | 339                | 84.4%        | 527                | 18.6%        | 625         | 339         | 84.4%        |
| Subscriber market share <sup>(*)</sup> , % | 18.3%              | 18.1%              |              | 18.3%              |              | 18.3%       | 18.1%       |              |
| MOU, min                                   | 243.4              | 216.3              | 12.5%        | 255.9              | -4.9%        | 238.9       | 220.6       | 8.3%         |
| ARPU mobile, US\$                          | 9.6                | 9.0                | 6.7%         | 10.4               | -7.7%        | 9.5         | 9.7         | -2.1%        |

| <b>GEORGIA</b>                             | <b>4Q<br/>2008</b> | <b>4Q<br/>2007</b> | <b>y-o-y</b> | <b>3Q<br/>2008</b> | <b>q-o-q</b> | <b>2008</b> | <b>2007</b> | <b>y-o-y</b> |
|--|--------------------|--------------------|--------------|--------------------|--------------|-------------|-------------|--------------|
| Mobile subscribers ('000)                  | 225                | 73                 | 208.2%       | 189                | 19.0%        | 225         | 73          | 208.2%       |
| Subscriber market share <sup>(*)</sup> , % | 6.0%               | 3.5%               |              | 5.3%               |              | 6.0%        | 3.5%        |              |
| MOU, min                                   | 129.8              | 121.5              | 6.8%         | 109.8              | 18.2%        | 113.6       | 102.5       | 10.8%        |
| ARPU mobile, US\$                          | 9.7                | 9.0                | 7.8%         | 9.9                | -2.0%        | 9.0         | 7.4         | 21.6%        |

\* 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 Fourth Quarter and Twelve Months 2008 Financial and Operating Results

### Other Operations

In October 2008, VimpelCom made a \$267 million cash contribution to the charter capital of GTEL-Mobile, our joint-venture in Vietnam. The funds will be used for establishing operations, including the network rollout. We expect the commercial launch of the network in Vietnam in mid-summer of 2009.

Our operations in Cambodia are also developing according to plan and we expect commercial launch of the network in May of 2009.

| OTHER (US\$ mln) | 4Q<br>2008 | 4Q<br>2007 | y-o-y | 3Q<br>2008 | q-o-q | 2008 | 2007 | y-o-y |
|------------------|------------|------------|-------|------------|-------|------|------|-------|
| OIBDA total      | -3.3       | n/a        |       | -2.2       | n/a   | -8.1 | n/a  |       |



## VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results

### Recent Developments

- On April 24, 2009, the Board of Directors recommended to the General Shareholders Meeting to forego dividend payments related to 2008.
- As of March 31, 2009, the Company had repaid 100% of the debt which came due in the first quarter of 2009 (or \$549 million calculated using the exchange rate as of December 31, 2008).
- On March 2, 2009, the Board of Directors appointed Alexander Torbakhov as the General Director of VimpelCom and Boris Nemsic as the CEO of VimpelCom, effective from April 2, 2009.
- On March 10, 2009, the Company entered into a loan agreement with Sberbank to borrow 8 billion rubles for three years at a maximum annual interest rate of 19% and \$250 million for four years at a maximum annual interest rate of 13%.
- On March 17, 2009, Jean-Pierre Vandromme, Executive Vice-President for Russian operations, resigned from the Company.
- In an effort to more accurately reflect the underlying operational performance the Company decided to change the reporting currency to the Russian ruble, which is the functional currency of core market operations. The changes become effective starting from the first quarter of 2009. Our selected financial indicators in local currencies are presented in Attachment E.

\* \* \*

**For more information on financial and operating data for specific countries, please refer to the supplementary file `FinancialOperatingQ42008.xls` on our website at <http://www.vimpelcom.com/news/qrep.wbp>.**

The Company's management will discuss its fourth quarter and annual 2008 results during a conference call and slide presentation on May 13, 2009 at 6:30 pm Moscow time (10:30 am 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 May 20, 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 Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results

VimpelCom was the first Russian company to list its shares on the New York Stock Exchange ("NYSE"). VimpelCom's ADSs are listed on the NYSE under the symbol "VIP".

*This press release contains "forward-looking statements", as the phrase is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to the Company's strategic and development plans, including network development plans and developments in the telecommunications markets in which the Company operates, and management's expectations about the Company's ability to meet its obligations. 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 and 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, 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 Fourth Quarter and Twelve Months 2008 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. 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.

**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.



## VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results

**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.

**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.



## VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results

### Attachment B: VimpelCom financial statements

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

|   | Three months ended<br>December 31,<br>(unaudited) |                  | Year ended<br>December 31, |                  |
|---|---|------------------|----------------------------|------------------|
|   | 2008  | 2007             | 2008                       | 2007             |
| <i>(In thousands of US dollars, except per share (ADS) amounts)</i> |   |                  |                            |                  |
| <b>Operating revenues:</b>  |   |                  |                            |                  |
| Service revenues  | \$2,489,532                                       | \$2,006,440      | \$9,999,850                | \$7,161,833      |
| Sales of equipment and accessories                                  | 64,417  | 2,307            | 107,946                    | 6,519            |
| Other revenues  | 3,944   | 2,504            | 17,190                     | 6,528            |
| <b>Total operating revenues</b>                                     | <b>2,557,893</b>                                  | <b>2,011,251</b> | <b>10,124,986</b>          | <b>7,174,880</b> |
| Revenue based tax   | (2,558)   | (1,305)          | (8,054)                    | (3,782)          |
| <b>Net operating revenues</b>                                       | <b>2,555,335</b>                                  | <b>2,009,946</b> | <b>10,116,932</b>          | <b>7,171,098</b> |
| <b>Operating expenses:</b>  |   |                  |                            |                  |
| Service costs   | 578,825   | 365,653          | 2,262,570                  | 1,309,287        |
| Cost of equipment and accessories                                   | 59,322  | 1,592            | 101,282                    | 5,827            |
| Selling general and administrative expenses                         | 787,212   | 715,892          | 2,838,508                  | 2,206,322        |
| Depreciation  | 378,642   | 331,725          | 1,520,184                  | 1,171,834        |
| Amortization  | 94,520  | 56,040           | 360,980                    | 218,719          |
| Impairment loss   | 442,747   | -                | 442,747                    | -                |
| Provision for doubtful accounts                                     | 5,995   | 8,399            | 54,711                     | 52,919           |
| <b>Total operating expenses</b>                                     | <b>2,347,263</b>                                  | <b>1,479,301</b> | <b>7,580,982</b>           | <b>4,964,908</b> |
| <b>Operating income</b>   | <b>208,072</b>                                    | <b>530,645</b>   | <b>2,535,950</b>           | <b>2,206,190</b> |
| <b>Other income and expenses:</b>                                   |   |                  |                            |                  |
| Interest income   | 14,241  | 11,554           | 71,618                     | 33,021           |
| Interest expense  | (153,595)   | (50,274)         | (495,634)                  | (194,839)        |
| Net foreign exchange (loss)/gain                                    | (1,011,996)                                       | 21,614           | (1,142,276)                | 72,955           |
| Equity in net loss of associates                                    | (63,719)  | (211)            | (61,020)                   | (211)            |
| Other (expenses)/income, net  | 804   | 31,588           | (17,404)                   | 3,240            |
| <b>Total other income and expenses</b>                              | <b>(1,214,265)</b>                                | <b>14,271</b>    | <b>(1,644,716)</b>         | <b>(85,834)</b>  |
| <b>Income (loss) before income taxes and minority interest</b>      | <b>(1,006,193)</b>                                | <b>544,916</b>   | <b>891,234</b>             | <b>2,120,356</b> |
| <b>Income tax expense (benefit)</b>                                 | <b>(208,877)</b>                                  | <b>159,225</b>   | <b>303,934</b>             | <b>593,928</b>   |
| <b>Minority interest in net earnings of subsidiaries</b>            | <b>18,412</b>                                     | <b>17,583</b>    | <b>62,966</b>              | <b>63,722</b>    |
| <b>Net income (loss)</b>  | <b>(815,728)</b>                                  | <b>368,108</b>   | <b>524,334</b>             | <b>1,462,706</b> |
| Net income (loss) per common share                                  | (\$16.12)   | \$7.25           | \$10.34                    | \$28.78          |
| Net income (loss) per ADS equivalent                                | (\$0.81)  | \$0.36           | \$0.52                     | \$1.44           |
| <b>Weighted average common shares outstanding (thousands)</b>       | <b>50,617</b>                                     | <b>50,777</b>    | <b>50,700</b>              | <b>50,818</b>    |



VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results

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

|   | December 31,<br>2008                | December 31,<br>2007       |
|---|-------------------------------------|----------------------------|
|   | <i>(In thousands of US dollars)</i> |                            |
| <b>Assets</b>                                     |                                     |                            |
| Current assets:                                   |                                     |                            |
| Cash and cash equivalents                         | \$914,683                           | \$1,003,711                |
| Trade accounts receivable                         | 475,667                             | 281,396                    |
| Other current assets                              | 1,016,157                           | 441,810                    |
| Total current assets                              | <u>2,406,507</u>                    | 1,726,917                  |
| Non-current assets                                |                                     |                            |
| Property and equipment, net                       | 6,425,873                           | 5,497,819                  |
| Telecommunication licenses, net                   | 764,783                             | 915,211                    |
| Other intangible assets, net                      | 4,359,772                           | 1,302,318                  |
| Investments in associates                         | 493,550                             | 5,908                      |
| Other assets                                      | 1,274,668                           | 1,120,711                  |
| Total non-current assets                          | <u>13,318,646</u>                   | 8,841,967                  |
| <b>Total assets</b>                               | <u><u>\$15,725,153</u></u>          | <u><u>\$10,568,884</u></u> |
| <b>Liabilities and shareholders' equity</b>       |                                     |                            |
| Current liabilities:                              |                                     |                            |
| Accounts payable                                  | \$896,112                           | \$697,816                  |
| Customer advances and deposits                    | 454,738                             | 423,611                    |
| Short-term debt                                   | 1,909,221                           | 526,512                    |
| Accrued liabilities                               | 554,231                             | 351,762                    |
| Total current liabilities                         | <u>3,814,302</u>                    | 1,999,701                  |
| Deferred income taxes                             | 644,475                             | 576,276                    |
| Long-term debt                                    | 6,533,705                           | 2,240,097                  |
| Other non-current liabilities                     | 122,825                             | 52,614                     |
| Minority Interest                                 | 221,040                             | 288,410                    |
| Shareholders' equity                              | <u>4,388,806</u>                    | 5,411,786                  |
| <b>Total liabilities and shareholders' equity</b> | <u><u>\$15,725,153</u></u>          | <u><u>\$10,568,884</u></u> |





**VimpelCom Announces Fourth Quarter and Twelve Months 2008 Financial and Operating Results**

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

|  | Year ended December 31,             |             |
|--|-------------------------------------|-------------|
|  | 2008                                | 2007        |
|  | <i>(In thousands of US dollars)</i> |             |
| <b>Net cash provided by operating activities</b>                             | <b>\$3,421,858</b>                  | \$3,037,690 |
| Purchases of property and equipment  | (2,002,452)                         | (1,238,305) |
| Purchases of intangible assets   | (75,012)                            | (73,814)    |
| Acquisition of subsidiaries, net of cash acquired                            | (4,134,609)                         | (301,355)   |
| Investments in associates  | (491,265)                           | -           |
| Loan granted   | (350,000)                           | -           |
| Short-term deposits  | 43,179                              | (42,356)    |
| Exercise of escrow cash deposit  | 200,170                             | (200,170)   |
| Purchase of minority interest in consolidated subsidiaries                   | (992,825)                           | -           |
| Purchases of other assets, net   | (367,227)                           | (378,552)   |
| <b>Net cash used in investing activities</b>                                 | <b>(8,170,041)</b>                  | (2,234,552) |
| Proceeds from bank and other loans   | 6,209,392                           | 666,348     |
| Proceeds from sale of treasury stock   | 25,488                              | 39,787      |
| Purchase of treasury shares  | (114,476)                           | (81,069)    |
| Repayments of bank and other loans   | (721,222)                           | (472,545)   |
| Payment of dividends   | (587,302)                           | (331,885)   |
| Payments of fees in respect of debt issues                                   | (68,159)                            | (14,380)    |
| <b>Net cash provided by/(used in) financing activities</b>                   | <b>4,743,721</b>                    | (193,744)   |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>          | <b>(84,566)</b>                     | 49,823      |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>                 | <b>(89,028)</b>                     | 659,217     |
| <b>Cash and cash equivalents at beginning of period</b>                      | <b>1,003,711</b>                    | 344,494     |
| <b>Cash and cash equivalents at end of period</b>                            | <b>\$914,683</b>                    | \$1,003,711 |
| <b>Supplemental cash flow information</b>                                    |                                     |             |
| <b>Cash paid during the period:</b>  |                                     |             |
| Income tax   | \$647,597                           | \$601,939   |
| Interest   | 406,020                             | 201,259     |
| <b>Non-cash activities:</b>  |                                     |             |
| Equipment acquired under financing agreements                                | 2,726                               | 48,514      |
| Accounts payable for equipment and other long-lived assets                   | 448,218                             | 417,478     |
| Issue of promissory notes  | 81,660                              | -           |
| Non-cash discounts from suppliers of equipment                               | 2,464                               | (5,441)     |
| <b>Acquisitions:</b>   |                                     |             |
| Fair value of assets acquired  | 2,645,655                           | 84,125      |
| Fair value of minority interest acquired                                     | 206,129                             | 41,636      |
| Difference between the amount paid and the fair value of net assets acquired | 3,517,062                           | 182,034     |
| Consideration for the acquisition of subsidiaries                            | (5,348,180)                         | (291,928)   |
| Change in fair value of liabilities assumed                                  | \$1,020,666                         | \$15,867    |



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**Attachment C: Reconciliation Tables (Unaudited)**

**Reconciliation of Consolidated OIBDA**  
*(In millions of US dollars)*

| OIBDA Consolidated Total | 4Q<br>2008   | 4Q<br>2007 | 3Q<br>2008   | 2008         | 2007         |
|--------------------------|--------------|------------|--------------|--------------|--------------|
| <b>OIBDA</b>             | <b>1,124</b> | <b>918</b> | <b>1,388</b> | <b>4,860</b> | <b>3,597</b> |
| Depreciation             | (379)        | (331)      | (400)        | (1,520)      | (1,172)      |
| Amortization             | (94)         | (56)       | (98)         | (361)        | (219)        |
| Impairment loss          | (443)        | 0          | 0            | (443)        | 0            |
| <b>Operating income</b>  | <b>208</b>   | <b>531</b> | <b>890</b>   | <b>2,536</b> | <b>2,206</b> |

**Reconciliation of Consolidated OIBDA Margin**

| OIBDA Margin Consolidated Total                                   | 4Q<br>2008   | 4Q<br>2007   | 3Q<br>2008   | 2008         | 2007         |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>OIBDA margin</b>   | <b>44.0%</b> | <b>45.7%</b> | <b>48.8%</b> | <b>48.0%</b> | <b>50.2%</b> |
| Less: Depreciation as a percentage of net operating revenues      | (14.9%)      | (16.5%)      | (14.1%)      | (15.0%)      | (16.3%)      |
| Less: Amortization as a percentage of net operating revenues      | (3.7%)       | (2.8%)       | (3.4%)       | (3.5%)       | (3.1%)       |
| Less: Impairment loss as a percentage of net operating revenues   | (17.3%)      | 0.0%         | 0.0%         | (4.4%)       | 0.0%         |
| <b>Operating income as a percentage of net operating revenues</b> | <b>8.1%</b>  | <b>26.4%</b> | <b>31.3%</b> | <b>25.1%</b> | <b>30.8%</b> |



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### Attachment D: Capex Development

| CAPEX (in US\$ millions) | 4Q<br>2008 | 4Q<br>2007 | y-o-y  | 3Q<br>2008 | q-o-q  | 2008    | 2007    | y-o-y  |
|--------------------------|------------|------------|--------|------------|--------|---------|---------|--------|
| Total capex              | 855.5      | 795.8      | 7.5%   | 692.9      | 23.5%  | 2,570.8 | 1,772.8 | 45.0%  |
| Russia                   | 641.5      | 467.2      | 37.3%  | 504.1      | 27.3%  | 1,776.4 | 1,072.5 | 65.6%  |
| CIS                      | 203.5      | 328.6      | -38.1% | 186.8      | 8.9%   | 775.1   | 700.3   | 10.7%  |
| Kazakhstan               | 79.7       | 96.4       | -17.3% | 77.1       | 3.4%   | 254.8   | 213.9   | 19.1%  |
| Ukraine                  | 57.8       | 55.2       | 4.7%   | 46.9       | 23.2%  | 185.4   | 156.5   | 18.5%  |
| Armenia                  | 23.7       | 44.3       | -46.5% | 19.1       | 24.1%  | 78.3    | 90.8    | -13.8% |
| Uzbekistan               | 17.2       | 83.6       | -79.4% | 28.4       | -39.4% | 176.3   | 133.9   | 31.7%  |
| Tajikistan               | 18.0       | 20.2       | -10.9% | 6.4        | 181.3% | 45.1    | 45.5    | -0.9%  |
| Georgia                  | 7.1        | 28.9       | -75.4% | 8.9        | -20.2% | 35.2    | 59.7    | -41.0% |
| Other                    | 10.5       | n/a        |        | 2.0        | 425.0% | 19.3    | n/a     |        |



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**Attachment E: Key Financial Results in Local Currencies**

**Russia**

| <b>RUSSIA (RUB millions)</b> | <b>4Q<br/>2008</b> | <b>3Q<br/>2008</b> | <b>q-o-q</b> |
|------------------------------|--------------------|--------------------|--------------|
| Net operating revenues       | 58,748             | 58,803             | -0.1%        |
| OIBDA                        | 25,751             | 29,395             | -12.4%       |
| OIBDA margin, %              | 43.8%              | 50.0%              |              |

**Ukraine**

| <b>UKRAINE (UAH millions)</b> | <b>4Q 2008</b> | <b>3Q 2008</b> | <b>q-o-q</b> |
|-------------------------------|----------------|----------------|--------------|
| Net operating revenues        | 424            | 457            | -7.2%        |
| OIBDA                         | 75             | -8             | n/a          |
| OIBDA margin, %               | 17.7%          | n/a            |              |



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**Attachment F: Reconciliation of Net Income Adjusted to Net Loss Reported**

| <b>Adjusted Consolidated Net Income (in US\$ millions)</b> | <b>4Q<br/>2008</b> |
|--|--------------------|
| <b>Net income (loss) reported</b>                          | <b>(816)</b>       |
| Net foreign exchange loss                                  | (1,012)            |
| Russia fixed goodwill impairment                           | (315)              |
| Ukraine goodwill and LLA impairment                        | (90)               |
| DVBH/DVBT licenses write off                               | (38)               |
| <b>Income before tax, adjusted</b>                         | <b>639</b>         |
| Income tax effect on above mentioned transactions          | (252)              |
| <b>Adjusted net income</b>                                 | <b>387</b>         |

