

OJSC VimpelCom Unaudited Condensed Consolidated Balance Sheets

	June 30, 2010	December 31, 2009
	<i>(In thousands of US dollars, except share amounts)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,046,914	\$ 1,446,949
Trade accounts receivable, net of allowance for doubtful accounts	463,927	392,365
Inventory	65,614	61,919
Deferred income taxes	73,415	91,493
Input value added tax	128,403	96,994
Due from related parties	146,483	249,631
Other current assets	305,917	627,257
Total current assets	3,230,673	2,966,608
Property and equipment, net	5,308,133	5,561,569
Telecommunications licenses, net	491,126	542,597
Goodwill	3,517,997	3,284,293
Other intangible assets, net	631,824	700,365
Software, net	398,220	448,255
Investments in associates	425,727	436,767
Other assets	774,369	792,087
Total assets	\$14,778,069	\$ 14,732,541
Liabilities, redeemable noncontrolling interest and equity		
Current liabilities:		
Accounts payable	\$ 606,514	\$ 545,690
Due to employees	135,058	113,368
Due to related parties	18,048	9,211
Accrued liabilities	367,916	315,666
Taxes payable	323,667	212,767
Customer advances, net of VAT	297,149	376,121
Customer deposits	27,135	28,386
Short-term debt	1,521,938	1,813,141
Total current liabilities	3,297,425	3,414,350
Deferred income taxes	490,372	596,472
Long-term debt	4,794,045	5,539,906
Other non-current liabilities	171,302	164,636
Commitments, contingencies and uncertainties	-	-
Total liabilities	8,753,144	9,715,364
Redeemable noncontrolling interest	515,273	508,668
Equity:		
Convertible voting preferred stock (.005 rubles nominal value per share), 10,000,000 shares authorized; 6,426,600 shares issued and outstanding	-	-
Common stock (.005 rubles nominal value per share), 90,000,000 shares authorized; 51,281,022 shares issued (December 31, 2009: 51,281,022); 51,281,022 shares outstanding (December 31, 2009: 50,714,579)	92	92
Additional paid-in capital	1,163,323	1,143,657
Retained earnings	4,792,166	4,074,492
Accumulated other comprehensive loss	(615,815)	(488,277)
Treasury stock, at cost, 566,360 shares of VimpelCom Ltd. common stock (December 31, 2009: 566,443)	(223,406)	(223,421)
Total VimpelCom shareholders' equity	5,116,360	4,506,543
Noncontrolling interest	393,292	1,966
Total equity	5,509,652	4,508,509
Total liabilities, redeemable noncontrolling interest and equity	\$14,778,069	\$ 14,732,541

OJSC VimpelCom Unaudited Condensed Consolidated Statements of Income

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
	<i>(In thousands of US dollars)</i>			
Operating revenues:				
Service revenues	\$2,341,009	\$2,109,735	\$4,543,638	\$4,052,496
Sales of equipment and accessories	43,844	32,188	70,423	60,868
Other revenues	6,605	5,335	8,525	9,171
Total operating revenues	2,391,458	2,147,258	4,622,586	4,122,535
Revenue based tax	-	(1,754)	-	(4,016)
Net operating revenues	2,391,458	2,145,504	4,622,586	4,118,519
Operating expenses:				
Service costs	527,264	442,290	1,028,852	882,527
Cost of equipment and accessories	45,979	30,022	72,329	58,688
Selling, general and administrative expenses	688,078	573,471	1,320,484	1,111,012
Depreciation	333,887	325,525	686,440	634,162
Amortization	66,353	70,182	133,047	142,783
Provision for doubtful accounts	10,528	12,139	29,171	30,000
Total operating expenses	1,672,089	1,453,629	3,270,323	2,859,172
Operating income	719,369	691,875	1,352,263	1,259,347
Other income and expenses:				
Interest income	11,927	18,791	23,473	33,604
Net foreign exchange (loss)/gain	(130,517)	324,056	(25,583)	(421,707)
Interest expense	(132,075)	(140,616)	(273,735)	(278,009)
Equity in net gain/(loss) of associates	11,088	4,697	7,304	(30,615)
Other (expenses)/income, net	(14,065)	555	(62,410)	(4,918)
Total other income and expenses	(253,642)	207,483	(330,951)	(701,645)
Income before income taxes	465,727	899,358	1,021,312	557,702
Income tax expense	128,522	191,429	281,571	157,329
Net income	337,205	707,929	739,741	400,373
Net income/(loss) attributable to the noncontrolling interest	11,901	7,404	22,067	(3,520)
Net income attributable to VimpelCom	\$325,304	\$700,525	\$717,674	\$403,893

OJSC VimpelCom Unaudited Condensed Consolidated Statements of Cash Flows

Six months ended June 30,

2010 2009

(In thousands of US dollars)

Operating activities

Net cash provided by operating activities 1,642,167 1,697,798

Investing activities

Purchases of property and equipment	(354,707)	(370,882)
Purchases of intangible assets	(11,298)	(11,913)
Purchases of software	(84,507)	(109,401)
Cash increase due to Sky Mobile consolidation	4,702	-
Loan granted	(5,048)	-
Loan receivable repayment	22,910	-
Proceeds from withdrawal of deposits	377,044	-
Purchases of other assets, net	(12,702)	(18,280)
Net cash used in investing activities	(63,606)	(510,476)

Financing activities

Proceeds from bank and other loans	260,342	589,473
Repayments of bank and other loans	(1,158,204)	(980,932)
Payments of fees in respect of debt issues	(1,847)	(46,547)
Net proceeds from employee stock options	27	1,852
Purchase of noncontrolling interest in consolidated subsidiaries	(2,294)	(441)
Payment of dividends	(2,049)	-
Payment of dividends to noncontrolling interest	(34,517)	(930)
Net cash used in financing activities	(938,542)	(437,525)

Effect of exchange rate changes on cash and cash equivalents (40,054) (15,219)

Net increase in cash and cash equivalents 599,965 734,578

Cash and cash equivalents at beginning of period 1,446,949 914,683

Cash and cash equivalents at end of period **\$ 2,046,914** **\$ 1,649,261**

Six months ended June 30,

2010 2009

(In thousands of US dollars)

Supplemental cash flow information

Cash paid during the period:

Income tax	\$ 277,059	\$ 180,595
Interest	295,719	285,070

Non-cash activities:

Accounts payable for property, equipment and other long-lived assets	178,588	165,295
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