

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS

Form 6-K

November 17, 2005

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**Report of Foreign Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

For the month of November 2005

Commission File Number 1-14522

**Open Joint Stock Company Vimpel-Communications**

(Translation of registrant's name into English)

**10 Ulitsa 8-Marta, Building 14, Moscow, Russian Federation 127083**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OPEN JOINT STOCK COMPANY  
VIPPEL-COMMUNICATIONS  
(Registrant)

Date: November 17, 2005

By: */s/* ALEXANDER V. IZOSIMOV  
Name: **Alexander V. Izosimov**  
Title: **Chief Executive Officer and General Director**

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Exhibits</b>
<b>99.1</b>	Press release titled VimpelCom announces third quarter and nine months 2005 financial and operating results .
<b>99.2</b>	Presentation of 3Q2005 Financial and Operating Results, which is posted on VimpelCom s website at <a href="http://www.vimpelcom.com">www.vimpelcom.com</a> .

**FOR IMMEDIATE RELEASE**

**VIMPELCOM ANNOUNCES THIRD QUARTER AND NINE MONTHS 2005**

**FINANCIAL AND OPERATING RESULTS**

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51% YEAR-ON-YEAR INCREASE IN TOTAL OPERATING REVENUES

52% YEAR-ON-YEAR INCREASE IN OIBDA

93% YEAR-ON-YEAR INCREASE IN NET INCOME

APPROXIMATELY 42.4 MILLION SUBSCRIBERS AS OF TODAY

INCLUDING 1.8 MILLION IN KAZAKHSTAN AND 0.2 MILLION IN UKRAINE

**Moscow and New York (November 17, 2005) - Open Joint Stock Company Vimpel-Communications ( VimpelCom or the Company ) (NYSE: VIP)**, a leading provider of wireless telecommunications services in Russia and Kazakhstan, with newly acquired operations in Ukraine, today announced its financial and operating results for the quarter and nine months ended September 30, 2005. In the third quarter of 2005, VimpelCom showed continued improvement in total operating revenues, OIBDA and net income supported by strong subscriber growth. VimpelCom's condensed consolidated financial statements are attached.

Commenting on today's announcement, Alexander Izosimov, Chief Executive Officer of VimpelCom, said, "As expected, our third quarter results were very strong. We showed good progress in our financial indicators with revenue, OIBDA and net income reaching new highs. We added approximately 4.9 million new subscribers which was the best quarterly result for the Company since the fourth quarter of 2004. At the same time, strong subscriber growth did not dilute our average revenue per user (ARPU) which stayed unchanged as compared with the previous quarter. Going forward, we will continue to focus on the Company's financial performance, and, in terms of expansion, on the remaining unlicensed territories in the Russian Far East and the countries of the CIS.

The principal results of operations with comments are presented in the following tables. All definitions are presented in Attachment A. The condensed consolidated financial statements of VimpelCom are presented in Attachment B. Reconciliation of each of OIBDA, OIBDA margin, ARPU and SAC to the most directly comparable U.S. GAAP financial measures appear in Attachment C.

As discussed in the Company's 2004 Annual Report on Form 20-F and our subsequent quarterly earnings releases, the Company restated its historical financial statements for periods ending on and prior to September 30, 2004 to reflect guidance from the United States Securities and Exchange Commission contained in a letter to the accounting industry in February 2005 with respect to accounting for depreciation of leasehold

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improvements. In addition, starting with the first quarter of 2005 our earnings releases reflect changes made by the Company to the estimated useful life of its GSM Russian telecommunications licenses as well as a reclassification of revenues generated by the Company's value added services. In its subscriber reporting, starting with the second quarter of 2005, the Company decided to combine its advance payment subscribers with its prepaid subscribers (see Definitions ). The earlier reported financial statement

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**VimpelCom Announces Third Quarter And Nine Month 2005 Financial And Operating Results**

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information and subscriber information that is incorporated in this press release, including for the third quarter of 2004 and the nine months ending September 30, 2004, were recalculated accordingly.

**Key Subscriber Statistics**

	As of		Change	As of		Change
	Sept. 30, 2005	Sept. 30, 2004	Y-on-Y (%)	June 30, 2005	Q-on-Q (%)	
<b>Russia</b>	38,401,100	19,869,100	93.3%	33,700,400	13.9%	
% of prepaid a)	96.6%	94.6%		96.4%		
<b>Moscow license area</b>	8,875,800	6,645,700	33.6%	8,501,200	4.4%	
% of prepaid a)	88.7%	87.1%		88.9%		
<b>Russian regions</b>	29,525,300	13,223,400	123.3%	25,199,200	17.2%	
% of prepaid a)	99.0%	98.4%		99.0%		
<b>Kazakhstan</b>	1,652,000	676,300	144.3%	1,401,600	17.9%	
% of prepaid a)	98.3%	95.6%		98.0%		
<b>Total</b>	40,053,100	20,545,400	94.9%	35,102,000	14.1%	
% of prepaid a)	96.7%	94.6%		96.5%		
% of active subscribers b)	84.4%	n/a		87.2%		
<b>Churn (quarterly)</b>	8.8%	7.2%		6.7%		

a) Including advance payment subscribers. Numbers for September 30, 2004 were recalculated in accordance with the Company's practice as discussed above.

b) Active subscribers are defined as those who in the last three months made a chargeable transaction.

The Company reported another quarter of strong subscriber growth adding more than 4.9 million in the third quarter of 2005. It came primarily due to the continued rapid subscriber growth in the regions of Russia, which was supported by growth in Moscow and Kazakhstan.

Based on independent research, VimpelCom estimates its market share in Russia at 34.4% at the end of the third quarter of 2005, compared to an estimated 33.7% at the end of the third quarter of 2004. Based on the same research, VimpelCom's subsidiary KaR-Tel estimates its market share in Kazakhstan at 35.6% at the end of the third quarter of 2005 as compared with 29.2% estimated at the end of the third quarter of 2004.

The Company's quarterly churn rate in the third quarter of 2005 was approximately 8.8%, compared to the Company's churn rate of 7.2% reported for the same period in 2004. The increase in churn in the third quarter of 2005 was expected as a reflection of the last New Year

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promotional campaign. These promotions usually deliver strong subscriber/SIM card additions with a higher than normal level of churners. The Company continues its efforts to control churn with particular attention on the high-end user segments. Churn management remains one of the Company's priority tasks as the market approaches a more mature phase.

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**Key Financial and Operating Indicators**

(Definitions as well as reconciliation of each of OIBDA, OIBDA margin, ARPU and SAC to its most directly comparable U.S. GAAP financial measures are presented below in the attachments)

	Three	Three		Nine	Nine	
	months	months		months	months	
	ended	ended	Change	ended	ended	Change
	Sept. 30,	Sept. 30,	Y-on-Y	Sept. 30,	Sept. 30,	Y-on-Y
	2005	2004*	(%)	2005	2004*	(%)
<b>Total operating revenues (US\$,000)</b>	890,291	591,472	50.5%	2,300,697	1,488,095	54.6%
<b>OIBDA (US\$,000)</b>	449,957	295,663	52.2%	1,151,618	742,382	55.1%
<b>OIBDA margin</b>	50.5%	50.0%		50.1%	49.9%	
<b>Gross margin (US\$,000)</b>	737,935	491,328	50.2%	1,911,257	1,239,686	54.2%
<b>Gross margin percentage</b>	82.9%	83.1%		83.1%	83.3%	
<b>Net income (US\$,000)</b>	194,875	101,016	92.9%	463,383	266,654	73.8%
<b>Net income per share (US\$)</b>	3.82	2.51	52.2%	9.07	6.64	36.6%
<b>Net income per ADS (US\$)</b>	0.96	0.63**)		2.27	1.66**)	
<b>ARPU (US\$)</b>	7.8	10.6	-26.4%	7.6	10.8	-29.6%
<b>MOU (min)</b>	109.3	99.4	10.0%	99.5	96.3	3.3%
<b>SAC (US\$)</b>	11.4	14.2	-19.7%	12.8	14.8	-13.5%

\*) These numbers were restated in accordance with the Company's newly adopted accounting practice as specified in VimpelCom's 2004 Annual Form 20-F Report. These numbers also reflect changes made by the Company to the estimated useful life of its GSM Russian telecommunications licenses as well as revenues generated by the Company's value added services.

\*\*\*) On November 22, 2004, we changed the ratio of our ADSs traded on The New York Stock Exchange from four ADSs for three common shares to four ADSs for one common share. VimpelCom ADS holders as of record date at the close of business on November 19, 2004 received two additional ADSs for every ADS held. There were no changes to VimpelCom's underlying common shares. All ADS information presented herein reflects the change in the ratio.

Significant improvements in VimpelCom's financial and operating results in the third quarter of 2005, as compared with the third quarter of 2004, were achieved largely as a result of continued rapid subscriber growth combined with the effects of economies of scale, efficient cost control and lower acquisition costs per subscriber. All key financial indicators—total operating revenues, OIBDA and net income—showed robust growth. The third quarter OIBDA margin of 50.5% was strong, indicating continued healthy business development. A slight decline as compared with the 51.4% OIBDA margin reported for the second quarter of 2005 repeats a seasonal pattern connected with the rise in roaming costs in the third quarter, which included the height of the summer vacation period.

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Although a comparison of SAC for a particular quarter with prior quarters does not necessarily represent a trend, the Company is pleased to report a low third quarter SAC of \$11.4, decreasing from \$13.3 in the second quarter of 2005.

Selling, general and administrative expenses ( SG&A ), as a percentage of total operating revenues, was 31.9% in the third quarter of 2005 which is less than 32.5% reported for the third quarter of 2004. SG&A increased as compared with the second quarter of 2005 primarily due to a substantial increase in the volumes of sales in the third quarter despite the decrease in SAC. In addition to this, revenue growth and business expansion in the third quarter of 2005 caused an increase in certain general and administrative expenses as compared with the second quarter of 2005. Specifically, there was an increase in the universal service fund (USF) expense in line with revenue growth and an increase in network maintenance costs connected with further network development. Accruals connected with stock based compensation programs

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as a result of substantial growth of the ADR price in the third quarter of 2005 also contributed to the increase in our general and administrative expenses.

VimpelCom's total capital investments for the third quarter of 2005 were approximately \$316.9 million, with \$261.7 million spent for the purchase of long-lived assets and \$55.2 million spent for the acquisition of a company in Sakhalin. Capital investments in the third quarter were lower than in the second quarter of 2005. However, we expect that our total capital investments for 2005 will be in line or slightly higher than our 2005 capital investment plan.

The Company's MOU in the third quarter of 2005 was 109.3 minutes, an increase of approximately 10.0% compared to 99.4 minutes recorded in the third quarter of 2004. As compared with 99.2 minutes recorded for the second quarter of 2005, MOU increased by 10.2%. This sequential quarter increase was primarily due to summer-time seasonal effects and was enhanced by marketing activity aimed at increasing off-peak traffic.

ARPU for the third quarter of 2005 was approximately \$7.8 which represents no change as compared with the second quarter of 2005 and is in line with normal seasonal trends. On a year-on-year basis, ARPU declined by 26.4% from the \$10.6 reported for the third quarter of 2004. The downward year-on-year trend in ARPU is caused primarily by rapid regional expansion, which increases the proportion of lower ARPU subscribers in the Company's customer base.

The Company's management will discuss its third quarter 2005 results during a conference call and slide presentation on November 17, 2005 at 6:30 pm Moscow time (10:30 am ET in New York). The call and slide presentation may be accessed via webcast at the following URL address <http://www.vimpelcom.com>. The conference call replay and the slide presentation webcast will be available through November 24, 2005 and December 16, 2005, respectively. The slide presentation will also be available for download on VimpelCom's website <http://www.vimpelcom.com>.

VimpelCom is a leading international provider of mobile telecommunications services in Russia and Kazakhstan, with newly acquired operations in Ukraine. The VimpelCom Group's license portfolio covers approximately 200 million people. Geographically it covers 78 regions in Russia (with 136.5 million people, representing 94% of Russia's population) as well as the entire territory of Kazakhstan and Ukraine. 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 trends in the Company's financial and operational performance, as well as the Company's strategic and development plans, capital investment plans and developments in the telecommunications market. 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 wireless telecommunications industry, general political uncertainties in Russia and the CIS and general economic developments in Russia and the CIS, the Company's ability to continue to grow its overall subscriber base, the availability of attractive expansion opportunities in Russia and the CIS, continued volatility in the world economy, the availability of opportunities for capital investment 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, Kazakh and Ukrainian telecommunications industries will not have a material adverse effect on the VimpelCom Group. Certain factors*

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*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, 2004 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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**- Definitions and Tables attached-**

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**Attachment A: Definitions**

**Subscriber** is an authorized user of cellular services, using one SIM card (GSM) with one or several selective numbers or one handset (DAMPS) with one selective number. The number of subscribers includes employees using cellular services and excludes guest roamers and users of test SIM cards (GSM) or handsets (DAMPS).

**Prepaid subscribers** are those subscribers who pay for their services in advance<sup>1)</sup>.

**Churn rate** is defined as the total number of subscribers disconnected from our network within a given period of time expressed as a percentage of the midpoint of subscribers in our network at the beginning and end of that period. Contract subscribers are disconnected if they have not paid their bills for 2 months and prepaid subscribers are disconnected 6 months after their services have been blocked. We typically block a prepaid subscriber's service in two cases: (1) their balance drops to \$0 or below, and (2) an account shows no chargeable activity within 6 months. The Company retains the right to change its disconnect policy to reflect changes in business or regulatory environment.

**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 (relating to our one-time write-down of AMPS/D-AMPS related assets in the Samara region of \$7,354 thousand in the second quarter of 2004) 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 tables section.

**OIBDA margin** is OIBDA expressed as a percentage of total operating revenues. Reconciliation of OIBDA margin to operating income as a percentage of total operating revenues, the most directly comparable U.S. GAAP financial measure, is presented below in the tables section.

**Gross margin** is defined as total operating revenues less service costs and cost of handsets and accessories sold.

**Gross margin percentage** is gross margin expressed as a percentage of total operating revenues.

**Each ADS** represents 0.25 of one share of common stock. This ratio was established effective November 22, 2004. Previously each ADS represented 0.75 of one share of common stock.

**ARPU** (Monthly Average Revenue per User), a non-U.S. GAAP financial measure, is calculated for each month in the relevant period by dividing the Company's service revenue during that month, including roaming revenue, 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 month. Reconciliation of ARPU to service revenues and connection fees, the most directly comparable U.S. GAAP financial measure, is presented below in the tables

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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.

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

**SAC** (Average Acquisition Cost Per User), a non-U.S. GAAP financial measure, is calculated as dealers' commissions, advertising expenses and handset subsidies for the relevant period divided by the number of new subscribers added

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<sup>1)</sup> This definition is broader than the one historically used by the Company as it includes advance payment subscribers previously presented in our operating statistics under the line contract subscribers .

during the relevant period. Reconciliation of SAC to selling, general and administrative expenses, the most directly comparable U.S. GAAP financial measure, is presented below in the tables section. The Company believes that SAC provides useful information to investors because it is an indicator of the performance of the Company's business operations and assists management in budgeting. The Company also believes that SAC assists management in quantifying the incremental costs to acquire a new subscriber. SAC should not be viewed in isolation or as an alternative to other figures reported under U.S. GAAP.

## Attachment B: VimpelCom unaudited condensed consolidated financial statements

## Open Joint Stock Company Vimpel-Communications

## Unaudited Condensed Consolidated Statements of Income

	Three months ended		Nine months ended	
	Sept. 30,		Sept. 30,	
	2005	2004	2005	2004
<i>(In thousands of US dollars, except per share (ADS) amounts)</i>				
<b>Operating revenues:</b>				
Service revenues and connection fees	US\$ 881,841	US\$ 581,296	US\$ 2,274,305	US\$ 1,458,000
Sales of handsets and accessories	6,948	9,396	22,971	27,709
Other revenues	1,502	780	3,421	2,386
<b>Total operating revenues</b>	<b>890,291</b>	<b>591,472</b>	<b>2,300,697</b>	<b>1,488,095</b>
<b>Operating expenses:</b>				
Service costs	145,757	93,783	368,360	227,120
Cost of handsets and accessories sold	6,599	6,361	21,080	21,289
Selling, general and administrative expenses	283,856	192,513	750,141	489,063
Depreciation	118,000	74,455	307,727	199,158
Amortization	34,518	14,962	103,086	33,618
Impairment of long-lived assets				7,354
Provision for doubtful accounts	4,122	3,152	9,498	8,241
<b>Total operating expenses</b>	<b>592,852</b>	<b>385,226</b>	<b>1,559,892</b>	<b>985,843</b>
<b>Operating income</b>	<b>297,439</b>	<b>206,246</b>	<b>740,805</b>	<b>502,252</b>
<b>Other income and expenses:</b>				
Interest income	1,515	2,225	4,506	4,088
Other income	5,576	737	12,399	1,625
Interest expense	(35,815)	(24,946)	(107,413)	(51,706)
Net foreign exchange gain (loss)	6	1,979	(170)	4,511
Other expenses	(6,529)	(1,307)	(18,375)	(2,608)
<b>Total other income and expenses</b>	<b>(35,247)</b>	<b>(21,312)</b>	<b>(109,053)</b>	<b>(44,090)</b>
<b>Income before income taxes and minority interest</b>	<b>262,192</b>	<b>184,934</b>	<b>631,752</b>	<b>458,162</b>
<b>Income taxes expense</b>	<b>66,738</b>	<b>53,498</b>	<b>167,577</b>	<b>133,128</b>
<b>Minority interest in net earnings of subsidiaries</b>	<b>579</b>	<b>30,420</b>	<b>792</b>	<b>58,380</b>
<b>Net income</b>	<b>US\$ 194,875</b>	<b>US\$ 101,016</b>	<b>US\$ 463,383</b>	<b>US\$ 266,654</b>
<b>Net income per common share</b>	<b>US\$ 3.82</b>	<b>US\$ 2.51</b>	<b>US\$ 9.07</b>	<b>US\$ 6.64</b>
<b>Net income per ADS equivalent</b>	<b>US\$ 0.96</b>	<b>US\$ 0.63</b>	<b>US\$ 2.27</b>	<b>US\$ 1.66</b>

<b>Weighted average common shares outstanding (thousands)</b>	<b>51,010</b>	40,179	<b>51,080</b>	40,176
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## Open Joint Stock Company Vimpel-Communications

## Unaudited Condensed Consolidated Balance Sheets

	September 30, 2005	December 31, 2004
<i>(In thousands of US dollars)</i>		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	US\$ 674,649	US\$ 305,857
Trade accounts receivable	143,163	119,566
Other current assets	389,713	371,999
<b>Total current assets</b>	<b>1,207,525</b>	797,422
Non-current assets		
Property and equipment, net	2,831,464	2,314,405
Telecommunication licenses and allocation of frequencies, net	709,941	757,506
Other intangible assets, net	580,935	580,799
Other assets	456,924	330,109
<b>Total non-current assets</b>	<b>4,579,264</b>	3,982,819
<b>Total assets</b>	<b>US\$ 5,786,789</b>	US\$ 4,780,241
<b>Liabilities and shareholders equity</b>		
Current liabilities:		
Accounts payable	354,797	345,187
Due to related parties	3,783	7,290
Customer advances and deposits	256,565	278,170
Deferred revenue	1,445	1,893
Ruble denominated bonds payable, current portion	105,267	
Bank loans, current portion	219,831	115,111
Capital lease obligations, current portion	3,454	2,851
Equipment financing obligations, current portion	31,557	71,577
Accrued liabilities	144,777	103,246
<b>Total current liabilities</b>	<b>1,121,476</b>	925,325
Deferred income taxes	303,884	296,967
Bank loans, less current portion	1,543,731	1,240,199
Capital lease obligations, less current portion	1,854	5,004
Ruble denominated bonds payable, less current portion		108,113
Accrued liabilities	9,318	6,837
Equipment financing obligations, less current portion	31,591	38,283
Minority interest	183,663	2,380
Shareholders equity	2,591,272	2,157,133
<b>Total liabilities and shareholders equity</b>	<b>US\$ 5,786,789</b>	US\$ 4,780,241

## Unaudited Condensed Consolidated Statements of Cash Flows

	Nine months ended	
	Sept. 30,	
	2005	2004
	<i>(In thousands of US dollars)</i>	
<b>Net cash provided by operating activities</b>	US\$ 927,648	US\$ 551,496
Proceeds from bank and other loans	775,488	716,534
Proceeds from bonds issue		90,470
Payments of fees in respect of debt issue	(17,590)	(10,791)
Repayment of bank and other loans	(350,692)	(27,148)
Repayment of rouble denominated bonds		(94,214)
Repayment of equipment financing obligations	(68,155)	(55,234)
Purchase of treasury stocks	(18,374)	
Repayment of capital lease obligations		(401)
<b>Net cash provided by financing activities</b>	320,677	619,216
Purchase of property and equipment	(775,647)	(622,286)
Purchase of SakhalinTelecomMobile, net of cash acquired US\$6,835	(48,382)	
Purchase of Beeline-Samara stock		(12,884)
Purchase of Kar-Tel stock, net of cash acquired of US\$6,543		(345,427)
Purchase of DTI stock, net of cash acquired of US\$382		(73,689)
Purchase of minority interest in consolidated subsidiary	(8,380)	
Purchase of SakhalinTelecom Ltd.	(5,040)	
Sale of SakhalinTelecom Ltd.	4,968	
Sale of Kar-Tel stock	175,000	
Purchase of intangible assets	(13,465)	(6,541)
Purchase of other assets	(205,281)	(77,741)
<b>Net cash used in investing activities</b>	(876,227)	(1,138,568)
<b>Effect of exchange rate changes on cash</b>	(3,306)	(711)
<b>Net increase in cash</b>	368,792	31,433
<b>Cash and cash equivalents at beginning of period</b>	305,857	157,611
<b>Cash and cash equivalents at end of period</b>	US\$ 674,649	US\$ 189,044
<b>Supplemental cash flow information</b>		
Non-cash activities:		
Equipment acquired under financing and capital lease agreements	US\$ 12,628	US\$ 4,517
Accounts payable for equipment and other long-lived assets	150,542	82,186
Accrued debt and equity offering costs	1,927	
Offset of the capital lease liability with accounts receivable	2,547	1,619
Operating activities financed by sale of treasury stock	4,164	1,546
Acquisitions:		
Fair value of assets acquired	42,461	484,287
Difference between the amount paid and the fair value of net assets acquired	21,586	174,771
Cash paid for the capital stock	(55,217)	(426,041)
<b>Liabilities assumed</b>	US\$ 8,830	US\$ 233,017

## Attachment C. Reconciliation tables

## Reconciliation of VimpelCom OIBDA to operating income (Unaudited)

*(In thousands of US dollars)*

	Three months ended		
	September 30, 2005	September 30, 2004	June 30, 2005
<b>OIBDA</b>	<b>449,957</b>	<b>295,663</b>	<b>395,554</b>
Depreciation	(118,000)	(74,455)	(103,393)
Amortization	(34,518)	(14,962)	(34,939)
<b>Operating income</b>	<b>297,439</b>	<b>206,246</b>	<b>257,222</b>

Reconciliation of VimpelCom OIBDA margin to  
operating income as percentage of total operating revenues

*(Unaudited)*

	Three months ended		
	September 30, 2005	September 30, 2004	June 30, 2005
<b>OIBDA margin</b>	<b>50.5%</b>	<b>50.0%</b>	<b>51.4%</b>
Less: Depreciation as a percentage of total operating revenues	(13.3%)	(12.6%)	(13.4%)
Less: Amortization as a percentage of total operating revenues	(3.9%)	(2.5%)	(4.5%)
<b>Operating income as a percentage of total operating revenues</b>	<b>33.3%</b>	<b>34.9%</b>	<b>33.5%</b>

## Reconciliation of SAC to selling, general and administrative expenses (Unaudited)

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

	Three months ended		
	September 30, 2005	September 30, 2004	June 30, 2005
Selling, general and administrative expenses	283,856	192,513	242,762
Less: General and administrative expenses	(190,745)	(122,913)	(155,613)

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Sales and marketing expenses, <i>including</i>	93,111	69,600	87,149
<i>advertising &amp; marketing expenses</i>	30,886	16,780	36,103
<i>dealers' commission expense</i>	62,225	52,820	51,046
New gross subscribers, '000	8,159	4,894	6,572
Subscriber Acquisition Cost (SAC) (US\$)	<b>11.4</b>	<b>14.2</b>	<b>13.3</b>

**Reconciliation of ARPU to service revenue and connection fees (Unaudited)***(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Three months ended		
	September 30, 2005	September 30, 2004	June 30, 2005
Service revenue and connection fees	881,841	581,296	760,723
Less: Connection fees	(325)	(191)	(132)
Less: Revenue from rent of fiber-optic channels	(520)	(408)	(269)
Service revenue used to calculate ARPU	880,996	580,697	760,322
Average number of subscribers, 000	37,709	18,184	32,652
<b>Average revenue per subscriber per month (US\$)</b>	<b>7.8</b>	<b>10.6</b>	<b>7.8</b>

**Reconciliation of VimpelCom OIBDA to operating income (Unaudited)***(In thousands of US dollars)*

	Nine months ended	
	September 30, 2005	September 30, 2004
<b>OIBDA</b>	<b>1,151,618</b>	<b>742,382</b>
<i>Impairment loss</i>	<i>0</i>	<i>(7,354)</i>
<i>Depreciation</i>	<i>(307,727)</i>	<i>(199,158)</i>
<i>Amortization</i>	<i>(103,086)</i>	<i>(33,618)</i>
<b>Operating income</b>	<b>740,805</b>	<b>502,252</b>

**Reconciliation of VimpelCom OIBDA margin to  
operating income as percentage of total operating revenues**

(Unaudited)

	Nine months ended	
	September 30, 2005	September 30, 2004
<b>OIBDA margin:</b>	<b>50.1%</b>	<b>49.9%</b>
<i>Less: Impairment loss</i>	<i>(0.0%)</i>	<i>(0.5%)</i>
<i>Less: Depreciation as a percentage of total operating revenues</i>	<i>(13.4%)</i>	<i>(13.4%)</i>
<i>Less: Amortization as a percentage of total operating revenues</i>	<i>(4.5%)</i>	<i>(2.3%)</i>
<b>Operating income as a percentage of total operating revenues</b>	<b>32.2%</b>	<b>33.7%</b>

**Reconciliation of SAC to selling, general and administrative expenses (Unaudited)**

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

	Nine months ended	
	September 30, 2005	September 30, 2004
Selling, general and administrative expenses	750,141	489,063
Less: General and administrative expenses	(486,030)	(313,025)
Sales and marketing expenses, <i>including</i>	264,111	176,038
<i>advertising &amp; marketing expenses</i>	<i>87,206</i>	<i>46,493</i>
<i>dealers' commission expense</i>	<i>176,905</i>	<i>129,545</i>
New gross subscribers, 000	20,587	11,861
Subscriber Acquisition Cost (SAC) (US\$)	<b>12.8</b>	<b>14.8</b>

**Reconciliation of ARPU to service revenue and connection fees (Unaudited)***(In thousands of US dollars, except for ARPU and subscriber amounts)*

	Nine months ended	
	September 30, 2005	September 30, 2004
Service revenue and connection fees	2,274,305	1,458,000
Less: Connection fees	(617)	(527)
Less: Revenue from rent of fiber-optic channels	(1,061)	(1,261)
Service revenue used to calculate ARPU	2,272,627	1,456,212
Average number of subscribers, 000	33,048	15,042
<b>Average revenue per subscriber per month (US\$)</b>	<b>7.6</b>	<b>10.8</b>



























































