

OJSC VimpelCom Unaudited Condensed Consolidated Balance Sheets

	September 30, 2010	December 31, 2009
	<i>(In thousands of US dollars, except share amounts)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,951,960	\$ 1,446,949
Trade accounts receivable, net of allowance for doubtful accounts	482,071	392,365
Inventory	73,443	61,919
Deferred income taxes	60,634	91,493
Input value added tax	143,054	96,994
Due from related parties	110,517	249,631
Other current assets	329,910	627,257
Total current assets	3,151,589	2,966,608
Property and equipment, net	5,562,015	5,561,569
Telecommunications licenses, net	458,848	542,597
Goodwill	3,493,122	3,284,293
Other intangible assets, net	634,740	700,365
Software, net	415,279	448,255
Investments in associates	445,952	436,767
Other assets	670,496	792,087
Total assets	\$ 14,832,041	\$ 14,732,541
Liabilities, redeemable noncontrolling interest and equity		
Current liabilities:		
Accounts payable	\$ 696,912	\$ 545,690
Due to employees	139,608	113,368
Due to related parties	21,156	9,211
Accrued liabilities	253,759	315,666
Taxes payable	266,475	212,767
Customer advances, net of VAT	312,703	376,121
Customer deposits	28,412	28,386
Short-term debt	1,637,265	1,813,141
Total current liabilities	3,356,290	3,414,350
Deferred income taxes	475,855	596,472
Long-term debt	4,360,230	5,539,906
Other non-current liabilities	164,149	164,636
Commitments, contingencies and uncertainties	-	-
Total liabilities	8,356,524	9,715,364
Redeemable noncontrolling interest	518,664	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	1,165,270	1,143,657
Retained earnings	5,243,311	4,074,492
Accumulated other comprehensive loss	(504,716)	(488,277)
Treasury stock, at cost, 11,327,200 shares of VimpelCom Ltd. common stock (December 31, 2009: 11,328,860)	(223,406)	(223,421)
Total VimpelCom shareholders' equity	5,680,551	4,506,543
Noncontrolling interest	276,302	1,966
Total equity	5,956,853	4,508,509
Total liabilities, redeemable noncontrolling interest and equity	\$ 14,832,041	\$ 14,732,541

OJSC VimpelCom Unaudited Condensed Consolidated Statements of Income

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
	<i>(In thousands of US dollars)</i>			
Operating revenues:				
Service revenues	\$2,435,964	\$2,245,967	\$6,979,602	\$6,298,463
Sales of equipment and accessories	33,967	26,130	104,390	86,998
Other revenues	3,254	5,523	11,779	14,694
Total operating revenues	2,473,185	2,277,620	7,095,771	6,400,155
Revenue based tax	-	(1,823)	-	(5,839)
Net operating revenues	2,473,185	2,275,797	7,095,771	6,394,316
Operating expenses:				
Service costs	561,809	488,425	1,590,661	1,370,952
Cost of equipment and accessories	43,308	26,876	115,637	85,564
Selling, general and administrative expenses	698,751	599,186	2,019,235	1,710,198
Depreciation	351,768	366,039	1,038,208	1,000,201
Amortization	73,330	71,164	206,377	213,947
Provision for doubtful accounts	10,598	12,974	39,769	42,974
Total operating expenses	1,739,564	1,564,664	5,009,887	4,423,836
Operating income	733,621	711,133	2,085,884	1,970,480
Other income and expenses:				
Interest income	9,061	7,706	32,534	41,310
Net foreign exchange gain/(loss)	20,413	24,516	(5,170)	(397,191)
Interest expense	(120,247)	(156,793)	(393,982)	(434,802)
Equity in net gain/(loss) of associates	19,201	4,861	26,505	(25,754)
Other expenses, net	(21,125)	(3,206)	(83,535)	(8,124)
Total other income and expenses	(92,697)	(122,916)	(423,648)	(824,561)
Income before income taxes	640,924	588,217	1,662,236	1,145,919
Income tax expense	178,158	152,336	459,729	309,665
Net income	462,766	435,881	1,202,507	836,254
Net income/(loss) attributable to the noncontrolling interest	11,621	1,384	33,688	(2,136)
Net income attributable to VimpelCom	\$451,145	\$434,497	\$1,168,819	\$838,390

OJSC VimpelCom Unaudited Condensed Consolidated Statements of Cash Flows

Nine months ended September 30,

2010 2009

(In thousands of US dollars)

Operating activities

Net cash provided by operating activities	\$	2,468,278	\$	2,761,844
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Investing activities

Purchases of property and equipment	(690,928)		(482,455)
Purchases of intangible assets	(15,245)		(13,067)
Purchases of software	(127,178)		(128,001)
Acquisition of Foratek, net of cash acquired	(36,372)		-
Investments in associates	-		(12,424)
Payment for shares in Golden Telecom	(143,569)		-
Cash increase due to Sky Mobile consolidation	4,702		-
Loan granted	(5,305)		-
Loan receivable repayment	22,910		-
Proceeds from withdrawal of deposits	435,194		-
Purchases of other assets, net	(16,674)		(29,877)
Net cash used in investing activities	(572,465)		(665,824)

Financing activities

Proceeds from bank and other loans	268,450		1,226,137
Repayments of bank and other loans	(1,589,976)		(1,691,052)
Payments of fees in respect of debt issues	(2,606)		(51,516)
Net proceeds from employee stock options	27		5,412
Purchase of noncontrolling interest in consolidated subsidiaries	(12,594)		(439)
Payment of dividends	(2,049)		-
Payment of dividends to noncontrolling interest	(34,517)		(718)
Net cash used in financing activities	(1,373,265)		(512,176)

Effect of exchange rate changes on cash and cash equivalents	(17,537)		23,788
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Net increase in cash and cash equivalents	505,011		1,607,632
Cash and cash equivalents at beginning of period	1,446,949		914,683
Cash and cash equivalents at end of period	\$ 1,951,960		\$ 2,522,315

Nine months ended September 30,

2010 2009

(In thousands of US dollars)

Supplemental cash flow information

Cash paid during the period:

Income tax	\$	490,468	\$	280,774
Interest		379,088		377,568

Non-cash activities:

Accounts payable for property, equipment and other long-lived assets		264,126		128,150
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