

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS
Form 6-K
November 30, 2006

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 2006

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

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.

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Yes [] No [X]

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

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

VIMPEL-COMMUNICATIONS
(Registrant)

Date: November 30, 2006

By: /s/ Alexander V. Izosimov
Name: Alexander V. Izosimov
Title: Chief Executive Officer and

General Director

FOR IMMEDIATE RELEASE

VIMPELCOM ANNOUNCES THIRD QUARTER AND NINE MONTH 2006

FINANCIAL AND OPERATING RESULTS

Moscow and New York (November 30, 2006) - Open Joint Stock Company Vimpel-Communications (VimpelCom or the Company) (NYSE: VIP), a leading provider of wireless telecommunications services in Russia and the Commonwealth of Independent States (CIS) today announced its financial and operating results for the quarter and nine months ended September 30, 2006.

Attachments A, B and C present definitions for certain terms used in this press release, the condensed consolidated financial statements of VimpelCom and tables with relevant reconciliations of non-U.S. GAAP financial measures to their most directly comparable U.S. GAAP financial measures. Selected financial and operating results are also reported for each of the countries where VimpelCom was operating as of September 30, 2006.

Financial and Operating Highlights

Net operating revenues reached \$1,358.9 million in the third quarter, a year-on-year increase of 52.6%.

OIBDA reached \$717.8 million, a year-on-year increase of 59.5%.

OIBDA margin was 52.8%, an all-time record for the Company.

Net income totaled \$268.4 million, a year-on-year increase of 37.7%.

Operating cash flow was \$640.0 million, a year-on-year increase of 62.4%.

Continued strong growth and improved subscriber market share in Kazakhstan.

Acquisition of telecom operators in Georgia (July 2006) and Armenia (November 2006).

Approximately 53.3 million subscribers as of November 30, 2006 including 5.9 million subscribers in the CIS outside of Russia.

Commenting on today's announcement, Alexander Izosimov, Chief Executive Officer of VimpelCom, said,

We had a very successful third quarter with quarter-on-quarter growth rates for operating revenues, OIBDA and net income exceeding 20%. All-time high financial figures underline our ability to deliver top line results against strategic priorities, and with good cost control, drive OIBDA faster than revenue.

In Russia, we continued to focus on the quality of our subscriber base, revenue growth and profitability. We again delivered year-on-year ARPU growth, with the third quarter increase much more pronounced than in the previous quarter. This improvement was driven by improved quality of our subscriber base, growing traffic, conservative pricing policy and increased interconnect charges between mobile operators.

Growth in Kazakhstan continues. Our priorities remain on increasing subscriber market share and expanding usage. An 11% gain in market share and a 30% increase in usage over the past 12 months led to substantial improvements in our financial performance. Net operating revenues for the third quarter of 2006 more than doubled as compared with the third quarter of 2005 and OIBDA grew by more than 2.5 times during the same period.

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In Ukraine, our focus is on growing our subscriber base and, at the same time, improving network coverage and quality. We made substantial progress in these areas, leading to improved performance of our key financial and operating indicators. Currently our subscriber base in Ukraine is just under 1.6 million. Going forward we plan to continue to enhance our position in Ukraine.

In Uzbekistan and Tajikistan, we launched our Beeline brand in September 2006 as planned. We are now concentrating on network build-out, functional improvements of operations and quality growth of our subscriber base.

In the Caucasus, we recently completed the acquisition of ArmenTel, a telecom operator in Armenia. Coupled with our recent entry into Georgia, we are on the way to becoming an important telecom operator in this part of the world.

Key Consolidated Operating Indicators

	3Q2006	3Q2005	Change, Y-on-Y	2Q2006	Change, Q-on-Q
Subscribers, end of period (EOP)	52,381,500	40,053,100	30.8%	50,822,100	3.1%
% of prepaid	96.8%	96.7%		96.8%	
Churn, quarterly *)	9.8%	8.8%		7.8%	
ARPU (US\$)	8.7	7.8	11.5%	7.5	16.0%
MOU, (min)	121.7	109.3	11.3%	114.4	6.4%
SAC, (US\$)	15.7	11.4	37.7%	16.3	-3.7%

*) High level of churn is typical for predominantly prepaid markets like Russia and the CIS in general. It becomes more pronounced with the reduction of gross sales in Russia. Additionally, this effect is enhanced in the third quarter due to repercussions of heavy seasonal promotional campaigns in Russia and Kazakhstan around the previous New Year.

In addressing the churn issue, the Company is focused on protecting its revenue base employing a segmented approach with the emphasis on higher ARPU consumer segments.

Key Consolidated Financial Indicators

	3Q2006	3Q2005	Change, Y-on-Y	2Q2006	Change, Q-on-Q
Net operating revenues (US\$,000)	1,358,853	890,291	52.6%	1,121,546	21.2%
including interconnect revenue	161,079	23,635	581.5%	84,502	90.6%
OIBDA (US\$, 000)	717,796	449,957	59.5%	561,555	27.8%
OIBDA margin	52.8%	50.5%		50.1%	
Gross margin (US\$, 000)	1,109,219	737,935	50.3%	920,276	20.5%
Gross margin percentage	81.6%	82.9%		82.1%	
SG&A (US\$, 000)	387,236	283,856	36.4%	355,031	9.1%
SG&A percentage	28.5%	31.9%		31.7%	
Net income (US\$, 000)	268,370	194,875	37.7%	194,946	37.7%
Net income per share (US\$)	5.28	3.82		3.83	
Net income per ADS (US\$)	1.32	0.96		0.96	

In the third quarter of 2006, VimpelCom invested approximately \$380.3 million for the purchase of long-lived assets and \$12.7 million for the acquisition of Mobitel in Georgia.

Consolidated figures represent the combined effect of the Company's operations in Russia, Kazakhstan, Ukraine, Uzbekistan and Tajikistan.

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RUSSIA

	3Q2006	3Q2005	Change, Y-on-Y	2Q2006	Change, Q-on-Q
Net operating revenues*) (million US\$)	1,228.1	842.2	45.8%	1,020.5	20.3%
including interconnect revenue	133.5	12.1	1003.3%	63.8	109.2%
OIBDA (million US\$)	666.4	431.4	54.5%	529.7	25.8%
OIBDA margin	54.2%	51.2%		51.9%	
Gross margin (US\$, 000)	1016.3	706.5	43.8%	849.4	19.6%
Gross margin percentage	82.7%	83.9%		83.2%	
SG&A (US\$, 000)	346.2	271.4	27.6%	317.6	9.0%
SG&A percentage	28.2%	32.2%		31.1%	
Net income (million US\$)	280.0	196.6	42.4%	197.6	41.7%
ARPU (US\$)	8.6	7.7	11.7%	7.4	16.2%
ARPU _{ACT} (active subscribers), (US\$)	10.6	9.0	17.8%	9.0	17.8%
MOU (min.)	123.2	111.6	10.4%	115.9	6.3%
MOU _{ACT} (active subscribers) (min)	151.9	129.9	16.9%	140.7	8.0%
SAC (US\$)	17.1	11.5	48.7%	17.5	-2.3%
Subscribers, EOP	47,651,000	38,401,100	24.1%	46,905,600	1.6%
Active subscribers, EOP	38,790,400	32,177,400	20.6%	38,161,700	1.6%
Subscriber market share, EOP	32.4%	34.3%		33.4%	

*) Excluding inter-company transactions.

Developments in the Russian market in the third quarter were centered around CPP (Calling Party Pays), which was introduced on July 1, 2006. Along with the introduction of free incoming calls, CPP triggered other changes including newly introduced interconnect charges payable by fixed-line operators to mobile operators, revised interconnect charges between mobile operators, as well as general pricing adjustments. The Company believes that CPP stimulated healthier and more economically justified behavior by most market participants.

In Russia, VimpelCom focused on protecting its revenue base and profitability. As a result, the direct negative CPP effect (lost revenue from incoming calls) was offset by interconnect payments from fixed-line operators and by the introduction of a first-minute charge on certain tariff plans. Growth in revenue came primarily from increased traffic (helped by seasonal effects), transition to ruble-based tariffs and an increase in interconnect charges between mobile operators.

Selling, general and administrative expenses (SG&A) as a percentage of net operating revenue fell to 28.2%, the lowest quarterly figure in Russia since 1998. This improvement in SG&A as a percentage of revenue came primarily as a result of two factors: an increase in revenue, which has no direct impact on SG&A in absolute terms, and a seasonal decrease in advertising and marketing expenses.

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As the Russian market becomes saturated and subscriber growth slows, SAC, defined as the ratio of dealer commissions and marketing and advertising expenses to gross new subscribers, is becoming less relevant because marketing and advertising expenses in a saturated market without handset subsidies increasingly relate to retention and loyalty of the entire existing subscriber base, rather than to attracting new subscribers. As the denominator in the definition of SAC gross new subscribers is rapidly declining, SAC, as it is defined, will generally trend upwards in Russia. Accordingly, in the third quarter of 2006, SAC increased 48.7% compared with the third quarter of 2005.

The combined effect of the above mentioned factors led to the record figures for net operating revenue, OIBDA and net income in the third quarter of 2006 in Russia. The OIBDA margin of 54.2% was also the highest ever recorded by the Company in Russia.

Until June 30, 2006 the functional currency of the substantial majority of VimpelCom operations was the US dollar, because the majority of revenues, costs, property and equipment purchased, debt and trade liabilities were either priced, incurred, payable or otherwise measured in US dollars.

During the second quarter of 2006, VimpelCom announced the introduction of a fixed exchange rate for its customers at 28.7 Russian roubles per 1 U.S. dollar. While this change was implemented in June 2006, the full impact of this change was realized in the third quarter. Accordingly, VimpelCom changed its functional currency from U.S. dollars to Russian roubles beginning July 1, 2006.

The impact of the change in functional currency on the financial statements was an increase in the opening translated carrying values of non-monetary assets and liabilities as of July 1, 2006 in total amount of \$305.7 million. This increase in the opening carrying amount of non-monetary assets and liabilities has been reflected in shareholder's equity.

KAZAKHSTAN

	3Q2006	3Q2005	Change, Y-on-Y	2Q2006	Change, Q-on-Q
Net operating revenues*) (million US\$)	103.5	48.1	115.2%	80.1	29.2%
including interconnect revenue	24.0	11.6	106.9%	18.9	27.0%
OIBDA (million US\$)	49.0	18.5	164.9%	33.9	44.5%
OIBDA margin	47.0%	38.6%		42.2%	
Gross margin (US\$, 000)	71.9	31.5	128.3%	55.3	30.0%
Gross margin percentage	69.0%	65.2%		68.9%	
SG&A (US\$, 000)	22.5	12.5	80.0%	20.2	11.4%
SG&A percentage	21.6%	25.8%		25.2%	
Net income (million US\$)	-0.6	-1.7	64.7%	11.0	-105.5%
ARPU (US\$)	11.3	10.5	7.6%	10.0	13.0%
ARPU _{ACT} (active subscribers), (US\$)	14.4	10.8	33.3%	12.6	14.3%
MOU (min.)	68.6	53.5	28.2%	52.4	30.9%
MOU _{ACT} (active subscribers) (min)	87.5	55.1	58.8%	66.3	32.0%
SAC (US\$)	8.5	10.0	-15.0%	9.3	-8.6%
Subscribers, EOP	3,230,400	1,652,000	95.5%	2,880,900	12.1%
Active subscribers, EOP	2,596,300	1,612,300	61.0%	2,204,300	17.8%
Subscriber market share, EOP	46.9%	35.6%		44.2%	

*) Excluding inter-company transactions.

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In Kazakhstan, the Company showed good progress in operational and financial areas. The positive trends which emerged in the second quarter continued through the third quarter. They included further market share gains, a sequential increase in MOU and ARPU, triple-digit year-on-year growth in net operating revenue and OIBDA. OIBDA margin has also reached a record of 47.0% in Kazakhstan. This was achieved despite an unfavorable trend in foreign currency exchange rates.

During the third quarter of 2006, there was a 7.19% appreciation of the U.S. dollar against the tenge, the Kazakh currency. This led to a foreign exchange loss of \$15.8 million in the third quarter connected with the debts stated in U.S. dollars, which, in turn, resulted in a net income loss of \$0.6 million for the third quarter of 2006, despite Kar-Tel's highest ever operating income of \$21.5 million. While having a significant negative effect on a quarterly basis, the total impact of local currency fluctuations during the first nine months of 2006 was a \$14.1 million gain.

UKRAINE

	3Q2006	2Q2006	Change, Q-on-Q
Net operating revenues*) (million US\$)	11.5	5.8	98.3%
including interconnect revenue	3.6	1.8	100.0%
OIBDA (million US\$)	-6.1	-11.3	
Gross margin (US\$, 000)	7.3	2.3	217.4%
Gross margin percentage	58.9%	39.0%	
SG&A (US\$, 000)	13.5	13.2	2.3%
SG&A percentage	108.9%	223.7%	
Net income (million US\$)	-13.0	-17.0	23.5%
ARPU (US\$)	5.5	4.7	17.0%
ARPUACT (active subscribers), (US\$)	6.7	5.9	13.6%
MOU (min.)	139.0	137.2	1.3%
MOUACT (active subscribers) (min)	168.4	172.4	-2.3%
SAC (US\$)	12.3	14.5	-15.2%
Subscribers, EOP	938,700	569,400	64.9%
Active subscribers, EOP	766,100	473,300	61.9%
Subscriber market share, EOP	2.3%	1.6%	

*) Excluding inter-company transactions.

In Ukraine, we have worked on expanding network coverage and improving the quality of our services in targeted areas. The Company achieved good results in growing its subscriber base together with improving ARPU. As of today, we have approximately 1.6 million subscribers and our network quality is rapidly improving.

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Although our start in Ukraine was slower than expected, our overall views on the opportunities in Ukraine remain unchanged. The business in Ukraine is progressing and we plan to continue to focus our efforts on developing the network and further building our subscriber base.

NEW OPERATIONS

	3Q2006	2Q2006	Change, Q-on-Q
Uzbekistan			
Net operating revenues*) (million US\$)	15.7	15.0	4.7%
OIBDA (million US\$)	9.5	9.5	0.0%
OIBDA margin	60.5%	63.3%	
Net income (million US\$)	3.2	3.6	-11.1%
Subscribers, EOP	546,900	451,600	21.1%
Subscriber market share, EOP	26.2%	26.7%	
Tajikistan			
Net operating revenues*) (million US\$)	0.08	0.12	-33.3%
OIBDA (million US\$)	-0.98	-0.31	
Net income (million US\$)	-0.78	-0.30	
Subscribers, EOP	14,500	14,600	-0.7%
Subscriber market share, EOP	4.0%	5.1%	

*) Excluding inter-company transactions.

Penetration rates in Uzbekistan and Tajikistan are low, approximately 8% and 5%, respectively, and we are still at the initial development phase in these countries. Currently our focus is on upgrading the network and services, strengthening the organization and transferring our knowledge and experience to our subsidiaries in Uzbekistan and Tajikistan.

The Company's management will discuss its third quarter 2006 results during a conference call and slide presentation on November 30, 2006 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 December 7, 2006 and December 30, 2006, respectively. The slide presentation will also be available for download on VimpelCom's website <http://www.vimpelcom.com>.

The VimpelCom Group includes cellular companies operating in Russia, Kazakhstan, Ukraine, Uzbekistan and Tajikistan, and recently acquired companies in Georgia and Armenia. The VimpelCom Group's cellular license portfolio covers a territory with a population of about 240 million. This includes 78 regions of Russia (136.5 million people, representing 94% of the Russia's population), and the entire territories of Kazakhstan, Ukraine, Uzbekistan, Tajikistan, Georgia, and Armenia. 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 .

Although the third quarter 2006 U.S. GAAP financial statements were approved by the requisite majority of our board, the three directors on our board who were nominated by our shareholder Telenor East Invest AS and who are officers of Telenor or its affiliates voted against approval.

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

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plans, including network development plans, and developments in the telecommunications markets in which the Company operates. These and other forward-looking statements are based on management's best assessment of the Company's strategic and financial position and of future market conditions and trends. These discussions involve risks and uncertainties. The actual outcome may differ materially from these statements as a result of unforeseen developments from competition, governmental regulation of the telecommunications industries in Russia and the CIS, general political uncertainties in Russia and the CIS and general economic developments in Russia and the CIS, the Company's ability to continue to grow its overall revenues and its subscriber base, continued volatility in the world economy and other factors. As a result of such risks and uncertainties, there can be no assurance that the effects of competition or current or future changes in the political, economic and social environment or current or future regulation of the Russian and CIS telecommunications industries will not have a material adverse effect on the VimpelCom Group. Certain factors that could cause actual results to differ materially from those discussed in any forward-looking statements include the risks described in the Company's Annual Report on Form 20-F for the year ended December 31, 2005 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.

For more information, please contact:

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-Definitions and tables are attached

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).

Churn rate is defined as the total number of registered 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.

Active subscribers are those who in the past three months made a transaction which brought revenue to the Company.

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

OIBDA is a non-U.S. GAAP financial measure. OIBDA, previously referred to as EBITDA by the Company, is defined as operating income before depreciation and amortization. The Company believes that OIBDA provides useful information to investors because it is an indicator of the strength and performance of our business operations, including our ability to finance capital expenditures, acquisitions and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under U.S. GAAP, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our OIBDA calculations are commonly used as bases for some investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within the wireless telecommunications industry. OIBDA should not be considered in isolation as an alternative to net income, operating income or any other measure of performance under U.S. GAAP. OIBDA does not include our need to replace our capital equipment over time. Reconciliation of OIBDA to operating income, the most directly comparable U.S. GAAP financial measure, is presented below in the 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 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 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 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.

ARPU_{ACT} is ARPU calculated with regard to active subscribers.

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.

MOU_{ACT} is MOU calculated with regard to active subscribers.

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 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.

Market share of subscribers for each relevant area is calculated by dividing the estimated number of our subscribers in Russia, Kazakhstan, Ukraine, Uzbekistan and Tajikistan, respectively, by the total estimated number of subscribers in Russia, Kazakhstan, Ukraine, Uzbekistan and Tajikistan, respectively. Subscriber statistics for these countries are taken from reports published by consulting agencies specializing in the telecommunications industry in Russia and the CIS, reports of other mobile operators, or are estimated by the Company.

Attachment B: VimpelCom financial statements

Open Joint Stock Company Vimpel-Communications

Unaudited Condensed Consolidated Statements of Income

	Three months ended September 30,		Nine months ended September 30,	
	2006	2005	2006	2005
	<i>(In thousands of US dollars, except per share (ADS) amounts)</i>			
Operating revenues:				
Service revenues and connection fees	US\$ 1,354,305	US\$ 881,841	US\$ 3,400,607	US\$ 2,274,305
Sales of handsets and accessories	4,365	6,948	15,013	22,971
Other revenues	710	1,502	2,274	3,421
Total operating revenues	1,359,380	890,291	3,417,894	2,300,697
Revenue based tax	(527)		(1,328)	
Net operating revenues	1,358,853	890,291	3,416,566	2,300,697
Operating expenses:				
Service costs	245,359	145,757	604,652	368,360
Cost of handsets and accessories sold	4,275	6,599	14,121	21,080
Selling, general and administrative expenses	387,236	283,856	1,025,192	750,141
Depreciation	243,593	118,000	609,532	307,727
Amortization	45,648	34,518	129,751	103,086
Provision for doubtful accounts	4,187	4,122	10,643	9,498
Total operating expenses	930,298	592,852	2,393,891	1,559,892
Operating income	428,555	297,439	1,022,675	740,805
Other income and expenses:				
Interest income	6,152	1,515	11,035	4,506
Other income	723	5,576	4,518	12,399
Interest expense	(49,210)	(35,815)	(139,802)	(107,413)
Other expenses	(8,480)	(6,529)	(20,795)	(18,375)
Net foreign exchange (loss) gain	(11,753)	6	13,929	(170)
Total other income and expenses	(62,568)	(35,247)	(131,115)	(109,053)
Income before income taxes and minority interest	365,987	262,192	891,560	631,752
Income taxes expense	99,088	66,738	262,832	167,577
Minority interest in net earnings of subsidiaries	(1,471)	579	13,307	792
Net income before cumulative effect of a change in accounting principle	US\$ 268,370	US\$ 194,875	US\$ 615,421	US\$ 463,383
Cumulative effect of a change in accounting principle			1,882	
Net income	US\$ 268,370	US\$ 194,875	US\$ 613,539	US\$ 463,383
Net income per common share	US\$ 5.28	US\$ 3.82	US\$ 12.05	US\$ 9.07
Net income per ADS equivalent	US\$ 1.32	US\$ 0.96	US\$ 3.01	US\$ 2.27

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Weighted average common shares outstanding (thousands)	50,843	51,010	50,929	51,080
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Open Joint Stock Company Vimpel-Communications

Unaudited Condensed Consolidated Balance Sheets

	September 30, 2006 (unaudited)	December 31, 2005
<i>(In thousands of US dollars)</i>		
Assets		
Current assets:		
Cash and cash equivalents	US\$ 604,893	US\$ 363,646
Trade accounts receivable, net	288,553	144,197
Other current assets	460,191	453,582
Total current assets	1,353,637	961,425
Property and equipment, net	4,011,190	3,211,112
Telecommunication licenses and allocation of frequencies, net	879,497	826,948
Goodwill	653,098	477,495
Other intangible assets, net	199,633	196,356
Other assets	650,859	633,700
Total non-current assets	6,394,277	5,345,611
Total assets	US\$ 7,747,914	US\$ 6,307,036
Liabilities and shareholders equity		
Current liabilities:		
Accounts payable	528,347	544,961
Due to related parties	533	709
Customer advances and deposits	320,284	309,647
Ruble denominated bonds payable, current portion		104,230
Bank loans, current portion	317,113	278,537
Accrued liabilities	225,450	181,268
Total current liabilities	1,391,727	1,419,352
Deferred income taxes	449,821	371,008
Bank loans, less current portion	1,957,008	1,540,043
Accrued liabilities	58,369	47,458
Minority Interest	221,870	188,626
Shareholders equity	3,669,119	2,740,549
Total liabilities and shareholders equity	US\$ 7,747,914	US\$ 6,307,036

Open Joint Stock Company Vimpel-Communications

Unaudited Condensed Consolidated Statements of Cash Flows

	Nine months ended September 30,	
	2006	2005
	<i>(In thousands of US dollars)</i>	
Net cash provided by operating activities	US\$ 1,434,817	US\$ 927,648
Purchase of property and equipment	(883,720)	(775,647)
Purchase of minority interest in consolidated subsidiary		(8,380)
Purchase of intangible assets	(25,758)	(13,465)
Purchase of Unitel, net of cash acquired \$8,364	(192,172)	
Purchase of Buztel, net of cash acquired \$88	(60,350)	
Purchase of Mobite, net of cash acquired \$0	(12,742)	
Purchase of SakhalinTelecomMobile, net of cash acquired \$6,835		(48,382)
Purchase of SakhalinTelecom Ltd.		(5,040)
Sale of SakhalinTelecom Ltd.		4,968
Sale of minority interest in consolidated subsidiary		175,000
Purchase of other assets	(248,271)	(205,281)
Net cash used in investing activities	(1,423,013)	(876,227)
Proceeds from bank and other loans	747,909	775,488
Repayment of bank and other loans	(293,756)	(350,692)
Payments of fees in respect of bank loans	(41,651)	(17,590)
Repayment of rouble denominated bonds	(110,783)	
Purchase of treasury stock	(38,535)	(18,374)
Repayment of equipment financing obligations	(41,269)	(68,155)
Repayments of lease obligations	(91)	
Net cash provided by financing activities	221,824	320,677
Effect of exchange rate changes on cash	7,619	(3,306)
Net increase / (decrease) in cash	241,247	368,792
Cash and cash equivalents at beginning of period	363,646	305,857
Cash and cash equivalents at end of period	US\$ 604,893	US\$ 674,649

Supplemental cash flow information

Non-cash activities:

Equipment acquired under financing and capital lease agreements	US\$ 15,785	US\$ 12,628
Deferred part of Ericsson non-cash discount in Ukraine	17,899	
Accounts payable for equipment and other long-lived assets	160,111	150,542
Exchange of 2009 Tendered Notes	232,766	
Accrued debt and equity offering costs		1,927
Operating activities financed by sale of treasury stock	3,899	4,164
Offset of the capital lease liability with accounts receivable	3,843	2,547

Acquisitions:

Fair value of assets acquired	166,034	
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