

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS

Form 6-K

December 07, 2009

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

Washington, D.C. 20549

**FORM 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 under**

**the Securities Exchange Act of 1934**

**For the month of December 2009**

**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)

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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 the registrant by furnishing the information contained in this Form 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  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: December 7, 2009

By:  /s/ ALEXANDER Y. TORBAKHOV  
Name: Alexander Y. Torbakhov  
Title: General Director

Exhibit List

- 99.1 Audited consolidated financial statements and notes and related financial information, as adjusted for SFAS No. 160, as of December 31, 2008 and 2007 and for the years ended December 31, 2008, 2007 and 2006.
- 99.2 Consent of Ernst & Young LLC.

Open Joint Stock Company Vimpel-Communications (VimpelCom) is furnishing on this Exhibit 99.1 to its Report of Foreign Private Issuer on Form 6-K certain sections of its Annual Report on Form 20-F for the year ended December 31, 2008 (the 2008 Form 20-F), in order to present its audited consolidated financial statements and related financial information as adjusted for VimpelCom's adoption of SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*. VimpelCom implemented the accounting provisions of SFAS No. 160 on a prospective basis from January 1, 2009, and has applied it on a retrospective basis in accordance with the presentation and disclosure requirements of SFAS No. 160. SFAS No. 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary, previously referred to as minority interest. Among other matters, SFAS No. 160 requires that noncontrolling interests be reported within the equity section of the balance sheet and that the amounts of consolidated net income or loss and consolidated comprehensive income or loss attributable to the parent company and the noncontrolling interests be clearly presented separately in the consolidated financial statements. Also, pursuant to SFAS No. 160, where appropriate, losses will be allocated to noncontrolling interests even when that allocation may result in a deficit equity balance. Upon adoption of SFAS No. 160, VimpelCom reclassified minority interests in its consolidated balance sheet from accrued expenses to noncontrolling interest in the equity section. In addition, VimpelCom changed the way noncontrolling interests are presented within the consolidated statement of income such that the statement of income reflects results attributable to both VimpelCom's interests and noncontrolling interests. The results attributable to VimpelCom's interests did not change upon the adoption of SFAS No. 160.

VimpelCom's audited consolidated financial statements for each of the years ended December 31, 2008, 2007 and 2006, along with the Report of Independent Registered Public Accounting Firm, as well as the sections entitled Item 3 Key Information A. Selected Financial Data and Item 5 Operating and Financial Review and Prospects, have been adjusted in all relevant areas impacted by SFAS No. 160 in order to present the underlying financial information on a consistent basis as if the accounting method had been applied throughout the periods presented. The format of the items presented herein is consistent with that presented in VimpelCom's 2008 Form 20-F. The information presented is as of December 31, 2008 and does not supersede or modify the information presented by VimpelCom in Reports of Foreign Private Issuer furnished on Form 6-K after December 31, 2008. With respect to the financial statements in the 2008 Form 20-F, the adoption of SFAS No. 160, as reflected in this Report of Foreign Private Issuer on Form 6-K, affects only the manner in which certain financial information was previously reported and does not change the financial results reported in the 2008 Form 20-F. All information in the 2008 Form 20-F remains unchanged and has not been otherwise updated by this Report of Foreign Private Issuer on Form 6-K for events or developments that occurred subsequent to the filing of the 2008 Form 20-F.

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### ITEM 3. Key Information

#### A. Selected Financial Data

The following tables set forth selected historical consolidated financial data for VimpelCom, presented in U.S. dollars and prepared in accordance with U.S. GAAP. The selected historical consolidated financial data for the years ended December 31, 2008, 2007 and 2006 and as at December 31, 2008 and 2007 is derived from our audited consolidated financial statements included elsewhere in this Exhibit to our Report of Foreign Private Issuer on Form 6-K. The selected historical consolidated financial data for the years ended December 31, 2005 and 2004 and as at December 31, 2006, 2005 and 2004 is derived from our audited consolidated financial statements not included in this Exhibit to our Report of Foreign Private Issuer on Form 6-K. The selected financial data set forth below should be read in conjunction with our consolidated financial statements and their related notes included elsewhere in this Exhibit to our Report of Foreign Private Issuer on Form 6-K and the section of this Exhibit to our Report of Foreign Private Issuer on Form 6-K entitled Item 5 Operating and Financial Review and Prospects.

|                            | Years Ended December 31,   |                |                |                |                |
|----------------------------|--|----------------|----------------|----------------|----------------|
|                            | 2008   | 2007           | 2006           | 2005           | 2004           |
|                            | (In thousands of U.S. dollars, except per share and per ADS amounts) |                |                |                |                |
| <b>Operating revenues:</b> |  |                |                |                |                |
| Service revenues           | US\$ 9,999,850   | US\$ 7,161,833 | US\$ 4,847,661 | US\$ 3,175,221 | US\$ 2,070,720 |

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|                                    |         |       |        |        |        |
|------------------------------------|---------|-------|--------|--------|--------|
| Sales of equipment and accessories | 107,946 | 6,519 | 19,265 | 30,478 | 38,711 |
|------------------------------------|---------|-------|--------|--------|--------|

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|  | Years Ended December 31,   |                |              |              |              |
|--|--|----------------|--------------|--------------|--------------|
|  | 2008   | 2007           | 2006         | 2005         | 2004         |
|  | (In thousands of U.S. dollars, except per share and per ADS amounts) |                |              |              |              |
| Other revenues   | 17,190   | 6,528          | 2,931        | 5,419        | 3,571        |
| Total operating revenues   | 10,124,986   | 7,174,880      | 4,869,857    | 3,211,118    | 2,113,002    |
| Revenue based taxes  | (8,054)  | (3,782)        | (1,879)      |              |              |
| Net operating revenues   | 10,116,932   | 7,171,098      | 4,867,978    | 3,211,118    | 2,113,002    |
| <b>Operating expenses:</b>   |  |                |              |              |              |
| Service costs  | 2,262,570  | 1,309,287      | 872,388      | 514,124      | 327,403      |
| Cost of equipment and accessories  | 101,282  | 5,827          | 18,344       | 28,294       | 30,585       |
| Selling, general and administrative expenses   | 2,838,508  | 2,206,322      | 1,503,615    | 1,085,807    | 720,127      |
| Depreciation   | 1,520,184  | 1,171,834      | 874,618      | 451,152      | 281,129      |
| Amortization   | 360,980  | 218,719        | 179,846      | 142,126      | 64,072       |
| Impairment loss  | 442,747  |                |              |              | 7,354        |
| Provision for doubtful accounts  | 54,711   | 52,919         | 21,848       | 11,583       | 8,166        |
| Total operating expenses   | 7,580,982  | 4,964,908      | 3,470,659    | 2,233,086    | 1,438,836    |
| <b>Operating income</b>  | 2,535,950  | 2,206,190      | 1,397,319    | 978,032      | 674,166      |
| <b>Other income and expenses:</b>  |  |                |              |              |              |
| Interest income  | 71,618   | 33,021         | 15,471       | 8,658        | 5,712        |
| Net foreign exchange (loss) gain   | (1,142,276)  | 72,955         | 24,596       | 7,041        | 3,563        |
| Interest expense   | (495,634)  | (194,839)      | (186,404)    | (147,448)    | (85,6630)    |
| Other (expenses) income, net   | (17,404)   | 3,240          | (38,844)     | (5,853)      | (12,153)     |
| Equity in net loss of associates   | (61,020)   | (211)          |              |              |              |
| Total other income and expenses  | (1,644,716)  | (85,834)       | (185,181)    | (137,602)    | (88,541)     |
| <b>Income before income taxes and cumulative effect of change in accounting principle</b>                          | 891,234  | 2,120,356      | 1,212,138    | 840,430      | 585,625      |
| Income tax expense   | 303,934  | 593,928        | 390,663      | 221,901      | 155,000      |
| Income before cumulative effect of change in accounting principle  | 587,300  | 1,526,428      | 821,475      | 618,529      | 430,625      |
| Cumulative effect of change in accounting principle  |  |                | (1,882)      |              |              |
| <b>Net income</b>  | 587,300  | 1,526,428      | 819,593      | 618,529      | 430,625      |
| Net income attributable to the noncontrolling interest   | 62,966   | 63,722         | 8,104        | 3,398        | 80,229       |
| <b>Net income attributable to VimpelCom</b>  | US\$ 524,334   | US\$ 1,462,706 | US\$ 811,489 | US\$ 615,131 | US\$ 350,396 |
| Weighted average common shares outstanding (thousands)   | 50,700   | 50,818         | 50,911       | 51,066       | 41,224       |
| Income before cumulative effect of change in accounting principle attributable to VimpelCom per common share       | US\$ 10.34   | US\$ 28.78     | US\$ 15.98   | US\$ 12.05   | US\$ 8.50    |
| Income before cumulative effect of change in accounting principle attributable to VimpelCom per ADS equivalent (2) | US\$ 0.52  | US\$ 1.44      | US\$ 0.80    | US\$ 0.60    | US\$ 0.43    |

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|  |      |        |      |        |      |        |      |        |      |        |
|--|------|--------|------|--------|------|--------|------|--------|------|--------|
| Net income attributable to VimpelCom per common share  | US\$ | 10.34  | US\$ | 28.78  | US\$ | 15.94  | US\$ | 12.05  | US\$ | 8.50   |
| Net income attributable to VimpelCom per ADS equivalent(1)   | US\$ | 0.52   | US\$ | 1.44   | US\$ | 0.80   | US\$ | 0.60   | US\$ | 0.43   |
| Weighted average diluted shares  |      | 50,703 |      | 50,818 |      | 50,947 |      | 51,085 |      | 41,272 |
| Diluted income before cumulative effect of change in accounting principle attributable to VimpelCom per common share (2)   | US\$ | 10.34  | US\$ | 28.78  | US\$ | 15.97  | US\$ | 12.04  | US\$ | 8.49   |
| Diluted income before cumulative effect of change in accounting principle attributable to VimpelCom per ADS equivalent (1) | US\$ | 0.52   | US\$ | 1.44   | US\$ | 0.80   | US\$ | 0.60   | US\$ | 0.42   |
| Diluted net income attributable to VimpelCom per common share(2)   | US\$ | 10.34  | US\$ | 28.78  | US\$ | 15.93  | US\$ | 12.04  | US\$ | 8.49   |
| Diluted net income attributable to VimpelCom per ADS equivalent(2)   | US\$ | 0.52   | US\$ | 1.44   | US\$ | 0.79   | US\$ | 0.60   | US\$ | 0.42   |
| Dividends per share  | US\$ | 11.46  | US\$ | 6.47   |      |        |      |        |      |        |
| Dividends per ADS equivalent   | US\$ | 0.57   | US\$ | 0.32   |      |        |      |        |      |        |

- (1) Each ADS is equivalent to one-twentieth of one share of common stock. On November 22, 2004, we changed the ratio of our ADSs traded on The New York Stock Exchange ( NYSE ) from four ADSs for three common shares to four ADSs for one common share. VimpelCom ADS holders as of record at the close of business on November 19, 2004 received two additional ADSs for every ADS held. On August 8, 2007, we changed the ratio of our ADSs traded on the NYSE from four ADSs for one

common share to twenty ADSs for one common share. VimpelCom ADS holders as of record at the close of business on August 17, 2007 received four additional ADSs for every ADS held. All share information presented herein reflects the change in the ratio. There were no changes to our underlying common shares.

- (2) Diluted income before cumulative effect of change in accounting principle attributable to VimpelCom and diluted net income attributable to VimpelCom per common share and ADS equivalent includes dilution for employee stock options for 2008, 2007, 2006, 2005 and 2004.

|   | 2008                           | 2007           | At December 31,<br>2006 | 2005         | 2004         |
|---|--------------------------------|----------------|-------------------------|--------------|--------------|
|   | (In thousands of U.S. dollars) |                |                         |              |              |
| <b>Consolidated balance sheets data:</b>  |                                |                |                         |              |              |
| Cash and cash equivalents   | US\$ 914,683                   | US\$ 1,003,711 | US\$ 344,494            | US\$ 363,646 | US\$ 305,857 |
| Working capital (deficit)(1)  | (1,407,795)                    | (272,784)      | (487,420)               | (457,927)    | (127,903)    |
| Property and equipment, net   | 6,425,873                      | 5,497,819      | 4,615,675               | 3,211,112    | 2,314,405    |
| Telecommunications licenses and allocations of frequencies, goodwill and other intangible assets, net | 5,124,555                      | 2,217,529      | 1,957,949               | 1,500,799    | 1,338,305    |
| Total assets  | 15,725,153                     | 10,568,884     | 8,436,546               | 6,307,036    | 4,780,241    |
| Total debt, including current portion(2)  | 8,442,926                      | 2,766,609      |                         |              |              |