

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS

Form 6-K

February 14, 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 February 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

Edgar Filing: OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS - Form 6-K

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  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: February 14, 2006

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

General Director

VimpelCom acquisition of Kyivstar  
Creating value for all shareholders  
February 2006

2

VimpelCom and Kyivstar today

Market cap US\$9.1 billion

Enterprise value US\$11.4 billion

45.4 million subscribers

(as at 31 December 2005)

Kyivstar

VimpelCom (economic ownership)

Telenor  
Alfa Group  
Public  
VimpelCom

URS

Other

assets

29.9%

24.5%

45.6%

Telenor

Alfa Group

Kyivstar

56.5%

43.5%

Private company

No.1 mobile operator in Ukraine

13.9

million subscribers

(as at 31 December 2005)

Source: Datastream, UBS Research, ACM Consulting

3

Background to the proposal

VimpelCom

Board approved a CIS strategy in 2004 -

management has argued

the strategic importance of entering Ukraine ever since

VimpelCom

public

shareholders

strongly

supported

the

acquisition

of

URS,

the

No. 4 Ukrainian operator

89% of the public shareholders who voted approved the URS acquisition

acquisition completed November 10, 2005 for US\$231m

On 26 January 2006, Telenor publicly announced that it was filing three

separate law suits in the Moscow Arbitration Court challenging the URS

acquisition

Before making significant infrastructure and marketing investments in URS (in

excess of US\$500m), VimpelCom wants to propose a full merger of VimpelCom

and Kyivstar

A merger offers ALL shareholders an opportunity to create more value than on

a standalone basis

4

The proposal

Acquire 100% of Kyivstar  
equity for US\$5 billion, plus  
debt

Payable in VimpelCom  
common registered shares  
approx. 35% ownership



dilution<sup>1</sup>

Subject to:

completion of due diligence

UBS fairness opinion

all

required corporate and

regulatory approvals

VimpelCom post transaction

(economic ownership)

1

Note:

1

Assuming no pre-emption rights or rights to

tender shares, if applicable. by minority

shareholders

Telenor

Alfa

Group

Public

VimpelCom

Kyivstar

URS

Other

assets

31.1%

29.8%

39.1%

5

Why Kyivstar

Ukraine is a highly strategic growth market for VimpelCom and a cornerstone for any CIS expansion strategy

Combining Kyivstar and VimpelCom creates the leading telecoms operator in Ukraine -

and a dominant player in the CIS

Eliminates significant duplication capex and marketing expenses

and achieves a number of operational efficiencies

Earnings accretive to VimpelCom s public shareholders from 2007

Potential solution to dispute between VimpelCom s (and

Kyivstar s) strategic shareholders

1

2

3

4

5

6  
Ukraine: strategically important  
47  
million  
population  
GDP  
growth forecast  
8.7%

p.a.  
2006 2010

Strong  
economic  
and cultural  
links with  
Russia  
and  
strengthening  
ties  
with  
the  
EU

A key expansion market for  
VimpelCom, with Russia  
already at 87% penetration

30.4

23.4

7.2

8.4

10.6

13.8

16.1

19.5

64%

50%

15%

18%

22%

29%

34%

41%

0

5

10

15

20

25

30

35

1Q04

2Q04

3Q04

4Q04

1Q05

2Q05

3Q05

4Q05

0

10

20  
30  
40  
50  
60  
70

Ukraine wireless market

Source: EIU, EMC, The Mobile World

Note: PPP adjusted nominal GDP growth

7

Source: ACM Consulting, as at 31 December 2005

Note:

1

VimpelCom

pro-forma

for

Unitel,

Buztel  
and  
Tacom  
acquisitions  
2  
MTS  
includes  
unconsolidated  
Belarus  
subscribers,  
but  
excludes  
470k  
subscribers  
related  
to  
disputed  
acquisition  
of  
Bitel  
(Kyrgyzstan)  
Russia  
43.1  
44.2  
Ukraine  
14.2  
13.3  
Other CIS  
2.4  
2.8  
Total subscribers  
59.7  
60.3  
Becoming the leading CIS  
operator  
Subscribers (m)  
VimpelCom + Kyivstar  
MTS  
Total CIS  
16.6  
16.1



8  
Strong financial position  
VimpelCom  
today  
+  
Kyivstar  
=  
VimpelCom

pro forma
(US\$m)
2004
9M05
2004
9M05
2004
9M05
Revenues
2,147
2,301
641
774
2,787
3,074
OIBDA
1,027
1,152
377
428
1,403
1,580
OIBDA margin (%)
47.8
50.1
58.8
55.3
50.3
51.4
Net earnings
350
463
219
213
570
677
Capex
(943)
(776)
(424)
(380)
(1,367)
(1,156)
Operating FCF
83
376
(47)
48
37
424

Net debt

1,275

1,263

255

315

1,530

1,578

No synergies or cost savings assumed

Refer

to

VimpelCom

press

releases

of

April

14,

2005

and

November

17,

2005

posted

on

VimpelCom's

website

[www.vimpelcom.com](http://www.vimpelcom.com)

for

a

reconciliation

of

OIBDA

and

OIBDA

margin

to

their

most

directly

comparable

US

GAAP

financial

measures

for

2004

and

9M05,

respectively

Operating FCF equals OIBDA less capex

VimpelCom

net  
debt  
calculated  
as  
the  
sum  
of  
ruble  
denominated  
bonds  
payable  
(2004:  
\$108m;  
9M05:  
\$105m),  
bank  
loans  
(2004:\$1,355m;  
9M05:  
\$1,764),  
capital  
lease  
obligations  
(2004:  
\$8m;  
9M05:  
\$5m)  
and  
equipment  
financing  
obligations  
(2004:  
\$110m;  
9M05:  
\$63m)  
less  
cash  
and  
cash  
equivalents  
(2004:  
\$306m;  
9M05:  
\$675m)  
Source: VimpelCom and Kyivstar company reports

Note:

- 1
- 2
- 3
- 4

9  
Attractive synergies  
Corporate services  
Product  
development  
Network capex  
Roaming  
Network

maintenance

Advertising

Corporate overheads

+

10

Summary

A compelling, value enhancing deal for VimpelCom shareholders

VimpelCom

becomes the leading operator in the CIS

Potential path to resolution of dispute between our two strategic shareholders

11  
Disclaimer  
This  
presentation  
contains  
"forward-looking  
statements",  
as



the  
phrase  
is  
defined  
in  
Section  
27A  
of  
the  
Securities  
Act  
of  
1933  
and  
Section  
21E  
of  
the  
Securities  
Exchange  
Act  
of  
1934.  
These  
statements  
relate,  
in  
part,  
to  
the  
consummation  
of  
an  
acquisition  
of  
Kyivstar  
and  
the  
potential  
benefits  
that  
may  
result  
from  
any  
such  
acquisition,  
as  
well  
as

the  
effect  
of  
such  
transaction  
on  
VimpelCom s  
operating  
and  
financial  
performance  
and  
VimpelCom s  
planned  
expenditures  
on  
its  
subsidiary  
in  
Ukraine.  
There  
can  
be  
no  
assurance  
that  
the  
proposed  
acquisition  
will  
be  
consummated  
and,  
if  
consummated,  
that  
the  
expected  
benefits  
from  
the  
acquisition  
will  
be  
realized.  
In  
addition,  
the  
forward-looking  
statements

contained  
in  
this  
press  
release,  
including  
the  
intended  
benefits  
to  
VimpelCom  
and  
its  
shareholders  
from  
the  
transactions  
described  
herein,  
are  
based  
on  
management's  
best  
assessment  
of  
each  
of  
the  
Company's  
and  
Kyivstar'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  
developments  
from  
competition,  
governmental  
regulations  
of  
the  
wireless  
telecommunications  
industry,  
general  
political  
uncertainties  
in  
Russia  
and  
Ukraine  
and  
general  
economic  
developments  
in  
Russia  
and  
Ukraine,  
and  
other  
factors,  
including  
our  
ability  
to  
successfully  
integrate  
Kyivstar  
into  
the  
VimpelCom

Group  
and  
the  
extent  
and  
timing  
of  
our  
ability  
to  
realize  
synergies  
from  
the  
transaction.  
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,

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  
presentation,  
or  
to  
make  
corrections  
to  
reflect  
future  
events  
or  
developments  
UBS  
Investment  
Bank  
is  
the  
global  
investment  
banking  
and  
securities  
business  
group  
of  
UBS  
AG