

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS
Form 6-K
August 30, 2007

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 August 2007

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)

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Date: August 30, 2007

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

General Director

FOR IMMEDIATE RELEASE

VIMPELCOM ANNOUNCES SECOND QUARTER AND SIX MONTH 2007

FINANCIAL AND OPERATING RESULTS

Moscow and New York (August 30, 2007) - 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 six months ended June 30, 2007.

Financial and Operating Highlights

Net operating revenues reached a record high \$1,717.2 million in the second quarter, a year-on-year increase of 53.1% and a quarter-on-quarter increase of 15.4%.

OIBDA reached a record high \$896.8 million, a year-on-year increase of 59.7% and a quarter-on-quarter increase of 17.0%.

OIBDA margin reached 52.2%, including 53.4% in Russia and 53.7% in Kazakhstan.

Net income totaled a record high \$359.3 million, a year-on-year increase of 84.3%.

Operating cash flow reached a record high \$695.6 million, a year-on-year increase of 61.7%.

MOU and ARPU grew sequentially in all markets, including 12.8% ARPU growth in Russia. Commenting on today's announcement, Alexander Izosimov, Chief Executive Officer of VimpelCom, said, "It was another very strong quarter for VimpelCom. The Company achieved all-time records in key financial parameters: revenue, OIBDA, net income and operating cash flow. The strength of our business was further supported by growth of operating parameters, including ARPU and MOU simultaneously in all the markets where we operate. This further validates our belief in the high growth potential of the CIS which is becoming an increasingly important part of our business."

We are also pleased to note that our OIBDA grew at a remarkable pace of almost 60% year-on-year. Moreover, the fact that our OIBDA grew faster than revenues illustrates that we continue to gain efficiency.

Changes in definitions and reported data

Beginning with this press-release the Company will use independent research to the extent it is available when reporting market share information. We believe using independent and consistent data is the preferable way to reflect our market share performance.

- more -

VimpelCom Announces Second Quarter And Six Month 2007 Financial And Operating Results

Page 2 of 9

Beginning with the Company's 1Q2007 earnings press release, the number of subscribers, ARPU and MOU are reported on the basis of active subscribers. For convenience, we continue to report the registered subscriber base and the related figures for comparable periods (see Attachment A for relevant definitions and refer to Attachment D for relevant data).

All the above-mentioned definitions refer to mobile subscribers. With the acquisition of Armentel, the Company also has fixed-line subscribers which are treated separately.

Attachments A, B, C and D present respectively

- definitions for certain terms used in this press release,
- the condensed consolidated financial statements of VimpelCom,
- tables with relevant reconciliations of non-U.S. GAAP financial measures to their most directly comparable U.S. GAAP financial measures, and
- certain additional reference data relating to the registered subscriber base.

Key Consolidated Financial and Operating Results

	2Q2007	2Q2006	Three months Change, 2Q07/2Q06	1Q2007	Change, 2Q07/1Q07
Active subscribers	47,701,300	41,282,500	15.5%	45,784,400	4.2%
Fixed line subscribers	610,300	NA		607,400	0.5%
Net operating revenues (US\$,000)	1,717,167	1,121,546	53.1%	1,488,047	15.4%
OIBDA (US\$, 000)	896,758	561,555	59.7%	766,417	17.0%
OIBDA margin	52.2%	50.1%		51.5%	
Gross margin (US\$, 000)	1,402,665	920,276	52.4%	1,220,993	14.9%
Gross margin percentage	81.7%	82.1%		82.1%	
SG&A (US\$, 000)	494,445	355,031	39.3%	439,467	12.5%
SG&A percentage	28.8%	31.7%		29.5%	
Net income (US\$, 000)	359,273	194,946	84.3%	277,275	29.6%
Net income per share (US\$)	7.07	3.83		5.45	
Net income per ADS ^{*)} (US\$)	0.35	0.19		0.27	

^{*)} Number of ADS for the purpose of this calculation is based on the new ratio of 20 ADSs per one ordinary share, which came into effect on August 21, 2007.

In the second quarter of 2007, VimpelCom invested \$334.8 million for the purchase of long-lived assets.

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

- more -

VimpelCom Announces Second Quarter And Six Month 2007 Financial And Operating Results

Page 3 of 9

			Three months Change,		Change,
RUSSIA	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
Net operating revenues* (million US\$)	1,459.0	1,020.5	43.0%	1,278.4	14.1%
including interconnect revenue	203.3	63.8	218.7%	170.7	19.1%
OIBDA (million US\$)	779.8	529.7	47.2%	676.5	15.3%
OIBDA margin	53.4%	51.9%		52.9%	
Gross margin (million US\$)	1208.6	849.4	42.3%	1,064.5	13.5%
Gross margin percentage	82.8%	83.2%		83.2%	
SG&A (million US\$)	418.7	317.6	31.8%	374.8	11.7%
SG&A percentage	28.7%	31.1%		29.3%	
Net income (million US\$)	355.7	197.6	80.0%	280.4	26.9%
ARPU, (US\$)	12.3	9.0	36.7%	10.9	12.8%
MOU, (min)	192.6	140.7	36.9%	160.9	19.7%
SAC (US\$)	22.8	18.0	26.7%	22.1	3.2%
Active subscribers	40,139,600	38,161,700	5.2%	38,631,100	3.9%
Churn	7.6%	7.4%		8.6%	
Subscriber market share**)	30.9%	33.4%		31.2%	

*) Net operating revenues here and in the following country tables exclude inter-company transactions.

**) Subscriber market share data presented here and in the following country tables are published by AC&M-Consulting and are generally based on registered subscribers.

In Russia our continued efforts to deliver growth through active marketing led to 43.0% year-on-year revenue growth, which is a remarkable achievement for a company of our size operating in a saturated market. This trend was further amplified by a favorable business environment and seasonal factors, resulting in a 14.1% increase in revenue in the second quarter of 2007 versus the first quarter of 2007.

Selling, general and administrative expenses (SG&A) as a percentage of net operating revenues were 28.7%, showing improvement on both a quarter-on-quarter and a year-on-year basis, from 29.3% and 31.1%, respectively.

The above-mentioned factors resulted in substantial improvement in OIBDA margin in the second quarter of 2007 as compared with the second quarter of 2006. The net income improvement was also helped by a slowdown in capital expenditures in the first half of 2007, and a corresponding deceleration in growth of depreciation charges.

In April 2007, we received an operating 3G license for the entire territory of Russia. This had no material impact on our results for the second quarter of 2007.

In the second quarter of 2007, VimpelCom invested \$188.9 million for the purchase of long-lived assets in Russia.

- more -

VimpelCom Announces Second Quarter And Six Month 2007 Financial And Operating Results

Page 4 of 9

KAZAKHSTAN			Three months		Change, 2Q07/1Q07
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	
Net operating revenues (million US\$)	148.6	80.1	85.5%	118.9	25.0%
including interconnect revenue	26.5	18.9	40.2%	20.5	29.3%
OIBDA (million US\$)	80.3	33.9	136.9%	62.0	29.5%
OIBDA margin	53.7%	42.2%		51.9%	
Gross margin (million US\$)	112.0	55.3	102.5%	88.2	27.0%
Gross margin percentage	75.0%	68.9%		73.9%	
SG&A (million US\$)	31.7	20.2	56.7%	25.4	24.8%
SG&A percentage	21.2%	25.2%		21.3%	
Net income ^{*)} (million US\$)	16.4	11.0	49.1%	13.1	25.2%
ARPU, (US\$)	13.6	12.6	7.9%	12.2	11.5%
MOU, (min)	88.8	66.3	33.9%	72.3	22.8%
SAC (US\$)	10.9	9.3	17.2%	9.0	21.1%
Active subscribers	3,857,600	2,204,300	75.0%	3,501,300	10.2%
Churn	6.3%	8.2%		5.5%	
Subscriber market share	49.3%	44.1%		50.2%	

^{*)} After minority interest.

In the second quarter of 2007, the Company continued the successful development of its Kazakhstan operations. Substantial subscriber growth was accompanied by growth in MOU and ARPU. These factors led to impressive year-on-year and quarter-on-quarter growth in net operating revenues, OIBDA and net income.

OIBDA margin grew to 53.7% the highest level ever recorded by the Company in Kazakhstan. This exceptionally high margin was supported by growth of promotion-driven on-net traffic. We believe that the results demonstrate the underlying strength of the Kazakhstan market.

- more -

VimpelCom Announces Second Quarter And Six Month 2007 Financial And Operating Results

Page 5 of 9

UKRAINE			Three months		Change,
	2Q2007	2Q2006	2Q07/2Q06	1Q2007	2Q07/1Q07
Net operating revenues (US\$, million)	22.7	5.8	291.4%	15.7	44.6%
including interconnect revenue	7.6	1.8	322.2%	5.4	40.7%
OIBDA (million US\$)	-3.1	-11.3		-6.5	
Gross margin (million US\$)	13.5	2.3	487.0%	9.5	42.1%
Gross margin percentage	56.7%	39.0%		58.3%	
SG&A (million US\$)	16.5	13.2	25.1%	16.0	3.4%
SG&A percentage	69.5%	223.7%		98.2%	
Net income (million US\$)	-17.2	-17.0		-18.4	
ARPU, (US\$)	4.2	5.9	-28.8%	3.0	40.0%
MOU, (min)	159.9	172.4	-7.3%	138.0	15.9%
SAC (US\$)	9.3	14.5	-35.9%	8.9	4.5%
Active subscribers	1,821,800	473,300	284.9%	1,953,200	-6.7%
Churn	7.0%	27.4%		5.7%	
Subscriber market share	5.2%	1.6%		4.5%	

Our Ukrainian operations continue to show encouraging trends. Revenues almost quadrupled on a year-on-year basis and we managed to achieve impressive 44.6% quarter-on-quarter revenue growth despite a persistently aggressive pricing environment. A balanced tariff policy combined with seasonal growth in usage and guest roaming allowed us to increase our ARPU by 40.0% on a quarter-on-quarter basis. OIBDA, though still negative, demonstrated a clear positive trend in the second quarter of 2007, and SG&A expenses were practically unchanged compared to the previous quarter.

We have also almost quadrupled the number of active subscribers in Ukraine in the past twelve months. Our subscriber market continues to grow reaching 5.2% in the second quarter of 2007. During the last quarter, we rebalanced our tariffs and tightened our churn policy, which led to a significant improvement in the quality of our subscriber base but at the same time decreased the number of active subscribers on a quarter-on-quarter basis.

Our focus in Ukraine remains on increasing our subscriber base, simultaneously paying attention to its quality, and striving towards positive OIBDA.

- more -

*VimpelCom Announces Second Quarter And Six Month 2007 Financial And Operating Results**Page 6 of 9*

UZBEKISTAN	2Q2007	2Q2006	Three months Change, 2Q07/2Q06	1Q2007	Change, 2Q07/1Q07
Net operating revenues (million US\$)	23.1	15.0	54.0%	18.0	28.3%
OIBDA (million US\$)	11.4	9.5	19.8%	8.7	31.4%
OIBDA margin	49.1%	63.3%		47.7%	
Gross margin (million US\$)	20.0	13.1	52.7%	15.2	31.6%
Gross margin percentage	86.1%	87.3%		83.5%	
SG&A (million US\$)	8.4	3.6	133.4%	6.4	29.7%
SG&A percentage	36.0%	23.9%		35.5%	
Net income (million US\$)	4.3	3.6	19.4%	2.5	72.0%
ARPU, (US\$)	7.2	12.7	-43.3%	6.7	7.5%
MOU, (min)	265.6	349.3	-24.0%	242.2	9.7%
SAC (US\$)	4.4	5.6	-21.4%	3.7	18.9%
Active subscribers	1,192,400				