

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS

Form 6-K

May 26, 2010

**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 May 2010**

**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: May 26, 2010

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

**Amsterdam and New York (May 26, 2010) - VimpelCom Ltd ( VimpelCom or the Company ) (NYSE: VIP)**, a leading international provider of telecommunications services, today announces its pro forma operating and financial results for the quarter ended March 31, 2010.

This earnings release contains pro forma information\* for VimpelCom and the financial and operating results of each of Open Joint Stock Company Vimpel-Communications ( OJSC VimpelCom ) and Closed Joint Stock Company Kyivstar G.S.M. ( Kyivstar ) on a stand-alone basis. The presentation of OJSC VimpelCom's financial and operating results follows the format of its 2009 year-end earnings release, with its consolidated financial results and the financial results of its CIS operations being presented in US dollars and the financial results of its Russian operations being presented in Russian Rubles. Kyivstar's financial and operating results are presented in its functional currency, the Ukrainian Hryvnia.

In accordance with recently adopted accounting rules, from January 1, 2010 OJSC VimpelCom began to consolidate the results of LLC Sky Mobile's operations in Kyrgyzstan.

\* See page 9 for details

## VimpelCom Ltd - First Quarter 2010 Pro Forma Operating Results and Selected Financial Data

## Combined Financial and Operating Results on a Pro Forma Basis

(US\$, millions) - 1Q 10	OJSC VimpelCom	Kyivstar	HQ and eliminations	Pro Forma Condensed Combined
Net operating revenues	2,231	322	(18)	2,535
Adjusted OIBDA	1,052	164	(11)	1,205
Adjusted OIBDA margin, %	47.2%	50.9%		47.5%
Operating income	633	40	(11)	662
Operating income margin, %	28.4%	12.4%		26.1%
SG&A	632	98	11	741
including Sales & Marketing Expenses	191	17		208
including General & Administrative Costs	441	81	11	533
SG&A percentage	28.3%	30.4%		29.2%
Net income (loss) attributable to VimpelCom Ltd.	392	28	(8)	412
Net income (loss) attributable to VimpelCom Ltd. per ADS, basic, (US\$)				0.32
Capital expenditures	179.3	55.8		235.1
Mobile subscriptions ( 000)	66,821	21,934		88,755
Broadband subscriptions ( 000)	2,513			2,513

**Quarterly highlights:**

Pro forma net operating revenues and OIBDA\* of \$2.5 billion and \$1.2 billion, respectively

1Q10 VimpelCom Ltd. transaction related costs and the new headquarters overhead charges amounted to \$11 million

The first quarter pro forma OIBDA margin was 47.5%

Pro forma net income attributable to VimpelCom Ltd amounted to \$412 million.

Combined operating cash flow amounted to \$960 million

Commenting on the first quarter results of VimpelCom, Alexander Izosimov, Chief Executive Officer of VimpelCom, said, "With this release we open a new chapter in our history. The combination of the two market leaders – OJSC VimpelCom and Kyivstar – has created a new strong emerging markets player. The increased scale of our business, combined with our high level of profitability, positions VimpelCom as the leading telecom operator in the region."

Our quarterly results give us confidence that the development of our business is on track. We remain focused on sustainable revenue growth and continued to deliver returns to our shareholders.

Looking ahead, we will focus on completing the integration and organizational structure of our new company in order to deal with the changing industry landscape. We believe that the outlook for VimpelCom is bright and are confident that we will successfully leverage our new advantages.



## VimpelCom Ltd - First Quarter 2010 Pro Forma Operating Results and Selected Financial Data

\* Hereafter refers to adjusted OIBDA (See definition of adjusted OIBDA in Attachment A)

**OJSC VimpelCom: Key Consolidated Financial and Operating Results\***

CONSOLIDATED OPERATIONS (US\$, millions)	1Q 10	1Q 09	1Q 10/ 1Q 09	4Q 09	1Q 10/ 4Q 09
Net operating revenues	2,231	1,973	13.1%	2,309	-3.4%
Adjusted OIBDA	1,052	949	10.9%	1,088	-3.3%
Adjusted OIBDA margin, %	47.2%	48.1%		47.1%	
Operating income	633	567	11.6%	608	4.1%
Operating income margin, %	28.4%	28.7%		26.3%	
SG&A	632	538	17.5%	680	-7.1%
including Sales & Marketing Expenses	191	156	22.4%	218	-12.4%
including General & Administrative Costs	441	382	15.4%	462	-4.5%
SG&A percentage	28.3%	27.3%		29.4%	
Net income (loss) attributable to OJSC VimpelCom	392	-297	n/a	283	38.5%
Capital expenditures	179.3	113.0	58.7%	422.7	-57.6%
Mobile subscriptions ( '000)	66,821	62,724	6.5%	64,596	3.4%
Broadband subscriptions ( '000)	2,513	1,560	61.1%	2,257	11.3%

\* See definitions in Attachment A. References to year-on-year are to comparisons of 1Q10 vs. 1Q09, while references to quarter-on-quarter are to 1Q10 vs. 4Q09.

**Quarterly highlights:**

Net operating revenues reflect stability of the core business in Russia and ability to market new products and services

Appreciation of local currencies against the US dollar strengthened the top line

The decline in revenues compared to the previous quarter reflects the normal seasonality of the business

Consolidated fixed and mobile OIBDA margin of 47.2% was in line with the previous quarter

Strong operating cash flow of \$803 million as a result of consistent focus on cash generation and working capital optimization

Capital expenditures will increase further throughout the year as we accelerate the 3G and FTTB network roll-out in the markets in which we operate

Repayment of \$928 million of debt bringing OJSC VimpelCom's net debt to \$4.9 billion with a Total Debt/OIBDA LTM ratio of 1.5





## VimpelCom Ltd - First Quarter 2010 Pro Forma Operating Results and Selected Financial Data

## OJSC VimpelCom: Russia - Financial and Operating Results

<b>RUSSIA (RUR millions)</b>	<b>1Q 10</b>	<b>1Q 09</b>	<b>1Q 10/ 1Q 09</b>	<b>4Q 09</b>	<b>1Q 10/ 4Q 09</b>
Net operating revenues	57,350	56,272	1.9%	58,819	-2.5%
Adjusted OIBDA	27,107	27,227	-0.4%	27,725	-2.2%
Adjusted OIBDA margin, %	47.3%	48.4%		47.1%	
Operating income	17,527	17,719	-1.1%	17,393	0.8%
Operating income margin, %	30.6%	31.5%		29.6%	
SG&A	15,796	14,936	5.8%	17,033	-7.3%
including Sales & Marketing Expenses	4,969	4,485	10.8%	5,862	-15.2%
including General & Administrative Costs	10,827	10,451	3.6%	11,171	-3.1%
SG&A percentage	27.5%	26.5%		29.0%	
Net income (loss) attributable to OJSC VimpelCom	11,557	-6,722	n/a	9,267	24.7%
<b>RUSSIA REVENUES* (RUR millions)</b>	<b>1Q 10</b>	<b>1Q 09</b>	<b>1Q 10/ 1Q 09</b>	<b>4Q 09</b>	<b>1Q 10/ 4Q 09</b>
Net operating revenues	57,350	56,272	1.9%	58,819	-2.5%
Mobile	47,882	45,507	5.2%	48,921	-2.1%
Fixed-line	9,468	10,765	-12.0%	9,898	-4.3%
<b>RUSSIA OIBDA DEVELOPMENT* (RUR millions)</b>	<b>1Q 10</b>	<b>1Q 09</b>	<b>1Q 10/ 1Q 09</b>	<b>4Q 09</b>	<b>1Q 10/ 4Q 09</b>
Adjusted OIBDA Total	27,107	27,227	-0.4%	27,725	-2.2%
Mobile	24,385	23,562	3.5%	24,850	-1.9%
Fixed-line	2,722	3,665	-25.7%	2,875	-5.3%
Adjusted Total OIBDA margin, %	47.3%	48.4%		47.1%	
Mobile, %	50.9%	51.8%		50.8%	
Fixed-line, %	28.7%	34.0%		29.0%	
<b>RUSSIA OPERATING DEVELOPMENT</b>	<b>1Q 10</b>	<b>1Q 09</b>	<b>1Q 10/ 1Q 09</b>	<b>4Q 09</b>	<b>1Q 10/ 4Q 09</b>
Mobile subscriptions ( 000)	51,254	49,351	3.9%	50,886	0.7%
MOU, min	203.9	203.0	0.4%	217.7	-6.3%
Adjusted MOU, min**	208.4	205.7	1.3%	221.4	-5.9%
ARPU mobile, US\$	10.3	9.1	13.2%	10.8	-4.6%
ARPU mobile, RUR	307.7	306.6	0.4%	316.9	-2.9%
Broadband subscriptions ( 000)	2,335	1,498	55.9%	2,111	10.6%

\* Mobile and fixed revenues for all periods were recalculated please see definition of reportable segments in Attachment A.

VimpelCom Ltd - First Quarter 2010 Pro Forma Operating Results and Selected Financial Data

\*\* Adjusted MOU is calculated for mobile subscriptions excluding mobile broadband subscriptions using USB modems.

**Quarterly highlights:**

In the mobile segment:

Strong demand for data services led to an increase in USB modem subscriptions

Stable pricing for traditional voice services

VAS as a percentage of mobile service revenues increased to 20.6%

Strong mobile OIBDA margin above 50%

In the fixed-line segment:

Revenues in the US dollar terms remained stable year-on-year

Revenue dynamics of a fixed-line segment reflect Russian ruble appreciation as a significant part of our fixed-line client base is billed in US dollars and Euro

OIBDA margin remained essentially flat quarter-on-quarter

The total number of residential broadband subscriptions, including FTTB and mobile broadband, exceeded 2.3 million with revenues up 59.1% year-on-year

Overall, in Russia the Company achieved good growth in the mobile segment, while fixed-line performance remained stable with ruble revenues and margins affected by currency fluctuations. Our competitive position remains sound, while further revenue growth will be defined to a large degree by continued macroeconomic recovery in the country.

## VimpelCom Ltd - First Quarter 2010 Pro Forma Operating Results and Selected Financial Data

## OJSC VimpelCom: CIS\* - Financial and Operating Results

CIS OPERATIONS (US\$ millions)	1Q 10	1Q 09	1Q 10/ 1Q 09	4Q 09	1Q 10/ 4Q 09
Net operating revenues	339.8	332.6	2.2%	341.6	-0.5%
Adjusted OIBDA	152.4	149.7	1.8%	154.7	-1.5%
Adjusted OIBDA margin, %	44.8%	45.0%		45.3%	
Operating income	56.9	49.9	14.0%	28.5	99.6%
Operating income margin, %	16.7%	15.0%		8.3%	
SG&A	94.7	92.5	2.4%	94.1	0.6%
including Sales & Marketing Expenses	21.5	22.7	-5.3%	24.9	