

OPEN JOINT STOCK CO VIMPEL COMMUNICATIONS

Form 20-F/A

March 08, 2010

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

**WASHINGTON D.C. 20549**

**FORM 20-F/A**

**(Amendment No. 1)**

.. **Registration Statement Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934**  
**OR**

x **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2008**  
**OR**

.. **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
**OR**

.. **Shell Company Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
**Commission File Number: 1-14522**

**OPEN JOINT STOCK COMPANY**  
**VIMPEL-COMMUNICATIONS**

(Exact name of registrant as specified in its charter)

**Russian Federation**

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(Jurisdiction of incorporation or organization)

**10 Ulitsa 8 Marta, Building 14, Moscow, Russian Federation 127083**

(Address of principal executive offices)

**Jeffrey D. McGhie**

**Vice President, General Counsel**

**10 Ulitsa 8 Marta, Building 14**

**Moscow, Russian Federation 127083**

**Tel: +7 495 725 0700**

**Fax: +7 495 721 0017**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

**Securities registered or to be registered pursuant to Section 12(b) of the Act:**

<b>Title of Each Class</b>	<b>Name of Each Exchange on Which Registered</b>
American Depositary Shares, or ADSs, each representing one-twentieth of one share of common stock	New York Stock Exchange
Common stock, 0.005 Russian rubles nominal value	New York Stock Exchange*

\* Listed, not for trading or quotation purposes, but only in connection with the registration of ADSs pursuant to the requirements of the Securities and Exchange Commission.

**Securities registered or to be registered pursuant to Section 12(g) of the Act:**

**None**

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**

**None**

**Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:**

**51,281,022 shares of common stock, 0.005 Russian rubles nominal value.**

**Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No**

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If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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\* Omitted because the item is inapplicable.

\*\* We have responded to Item 18 in lieu of this item.

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**EXPLANATORY NOTE**

This Amended Annual Report on Form 20-F/A, referred to herein as the Annual Report on Form 20-F/A, amends our Annual Report on Form 20-F for the fiscal year ended December 31, 2008, as filed with the U.S. Securities and Exchange Commission on May 14, 2009, referred to herein as the Original Filing. This filing is being made to restate our audited consolidated financial statements as of December 31, 2008 and for the year then ended, and to amend related disclosure. The restatement did not impact total assets or total liabilities as reported in our balance sheet as of December 31, 2008 but did require adjustments of US\$469.6 million to our total equity, with this amount moving to temporary equity under the line item Redeemable noncontrolling interest. In addition, while the restatement did not impact net income attributable to VimpelCom as reported in our statement of income for the year ended December 31, 2008, adjustments to the additional paid-in capital resulting from the restatement did reduce the numerator in the calculation of earnings per share, resulting in a decrease in earnings per share from US\$10.34 to US\$10.32.

The restatement relates to the accounting for our contractual redemption arrangements relating to a 25.0% noncontrolling interest in Limnotex Developments Limited, referred to herein as Limnotex, owned by Crowell Investments Limited, referred to herein as Crowell. Limnotex is the parent company of KaR-Tel LLP, our operating subsidiary in Kazakhstan, referred to herein as KaR-Tel. On June 28, 2008, we amended our existing contractual arrangements with Crowell to include new put and call option arrangements with respect to the remaining 25.0% share in Limnotex held by Crowell. As of December 31, 2008, the put option was exercisable by Crowell between January 1, 2010 and December 31, 2010 at a fixed price. As of December 31, 2008, the call option was exercisable by our company any time between the date of delivery of KaR-Tel's 2008 audited financial statements and December 31, 2011, at a price determined by a fair value-based pricing mechanism, and we were required to exercise the call option in full by December 31, 2011.

The restatement corrects our application of EITF Topic D-98, *Classification and Measurement of Redeemable Securities*, in accounting for the above-described contractual redemption arrangements relating to the noncontrolling interest in Limnotex.

Previously, we accounted for the noncontrolling interest in Limnotex at its historical cost basis within permanent equity under the line item Noncontrolling interest in our balance sheet as of December 31, 2008. However, this accounting treatment was incorrect because following the June 28, 2008 amendments to the contractual redemption arrangements the decision to purchase the noncontrolling interest in Limnotex was not solely in our control. Accordingly, we determined that the noncontrolling interest in Limnotex should have been classified as temporary equity under the line item Redeemable noncontrolling interest in our balance sheet as of December 31, 2008 and recorded at its estimated fair value on the June 28, 2008 date of the amendments.

For each period subsequent to June 28, 2008, the temporary equity amount is written up over time so that upon the expiration of the contractual redemption arrangements the value of the temporary equity equals the price to be paid for the 25.0% noncontrolling interest in Limnotex. The temporary equity amount is first credited with its share of earnings of Limnotex for the applicable period, and, to the extent that this amount is less than the required write up for the period, the difference is charged to additional paid-in capital. The charge to additional paid-in capital does not affect the net income attributable to VimpelCom as reported in our statement of income for the year ended December 31, 2008, but it does reduce the numerator in the calculation of earnings per common share. This resulted in a US\$0.02 decrease in our earnings per common share for the year ended December 31, 2008.

For more information about the restatement and the related adjustments, see Note 23, Restatement of the Measurement of Noncontrolling Interest, and Note 18, Earnings per share, to our consolidated financial statements included elsewhere in this Annual Report on Form 20-F/A.

Our shareholders should no longer rely on our financial statements previously included in the Original Filing, or the consolidated financial statements previously included in our Report of Foreign Private Issuer on Form 6-K furnished to the SEC on December 7, 2009.

We have also presented our consolidated financial statements and related financial information in this Annual Report on Form 20-F/A as adjusted for our adoption of SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51*. As more fully discussed in Note 2, Recent Accounting Pronouncements, to our consolidated financial statements included elsewhere in this Annual Report on Form 20-F/A, we implemented the accounting provisions of SFAS No. 160 on a prospective basis from January 1, 2009 and applied it on a retrospective basis in accordance with the presentation and disclosure requirements of SFAS No. 160.

In connection with the restatement, our management has reconsidered our previous assessment of the effectiveness of our disclosure controls and procedures and internal control over financial reporting. Our management has concluded that, due to a deficiency in the operation of our existing controls over complex transactions, a material weakness existed in our internal control over financial reporting, and, as a result, as of December 31, 2008 our internal control over financial reporting and disclosure controls and procedures were not effective. This deficiency relates only to the specific contractual redemption arrangements with the noncontrolling interest in Limnotex, as described above. For a

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discussion of management's consideration of our company's disclosure controls and procedures and the material weakness we identified, see Item 15 Controls and Procedures included in this Annual Report on Form 20-F/A.

Other than information relating to the restatement and our adoption of SFAS No. 160, no attempt has been made in this Annual Report on Form 20-F/A to amend or update other disclosure presented in the Original Filing. The following items in this Annual Report on Form 20-F/A have been amended principally as a result of, and to reflect, the restatement and our adoption of SFAS No. 160:

Part I, Item 3 Key Information A. Selected Financial Data

Part I, Item 5 Operating and Financial Review and Prospects

Part II, Item 15 Controls and Procedures

Part II, Item 18 Financial Statements

Except as stated herein, this Annual Report on Form 20-F/A does not reflect events occurring after the filing of the Original Filing or amend or update those disclosures. Accordingly, this Annual Report on Form 20-F/A should be read in conjunction with our submissions with the SEC subsequent to the filing of the Original Filing.

In accordance with applicable SEC rules, this Annual Report on Form 20-F/A includes certifications from our General Director, Chief Executive Officer and Chief Financial Officer dated as of the date of this filing.

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**INTRODUCTION**

This Annual Report on Form 20-F/A describes matters that relate generally to Open Joint Stock Company Vimpel-Communications, also referred to as VimpelCom or our company, an open joint stock company organized under the laws of the Russian Federation, and its consolidated subsidiaries. Thus, we use terms such as we, us, our and similar plural pronouns when describing the matters that relate generally to VimpelCom's consolidated group. On February 28, 2008, we completed our acquisition of 100.0% of the outstanding shares of Golden Telecom, Inc. As we did not consolidate Golden Telecom into our U.S. GAAP financial statements until the effective acquisition date, the historical financial and operating data of VimpelCom set forth in this Annual Report on Form 20-F/A reflect Golden Telecom's results only following the effective acquisition date, unless otherwise indicated. References in this Annual Report on Form 20-F/A to Golden Telecom are to Golden Telecom, Inc. and its consolidated subsidiaries with respect to the presentation of financial and operating data, unless the context otherwise requires.

In addition, the discussion of our business and the telecommunications industry contains references to certain terms specific to our business, including numerous technical and industry terms. Specifically:

References to our operations in the Moscow license area are to our operations in the City of Moscow and the Moscow region.

References to our operations in the regions, the regions outside of Moscow and the regions outside of the Moscow license area are to our operations in the regions of the Russian Federation outside of the City of Moscow and the Moscow region.

References to our operations in the CIS are to our operations in the Commonwealth of Independent States outside of the Russian Federation where we provide services, unless the context otherwise requires.

References to the super-regions are to Russia's seven large geographical regions and the Moscow license area.

References to GSM-900/1800 are to dual band networks that provide mobile telephone services using the Global System for Mobile Communications standard in the 900 MHz and 1800 MHz frequency ranges. References to GSM-1800 are to networks that provide mobile telephone services using GSM in the 1800 MHz frequency range. References to GSM-900 are to networks that provide mobile telephone services using GSM in the 900MHz frequency range. References to GSM are to both the GSM-900 and GSM-1800 standards.

References to 3G technologies are to third generation mobile technologies, including UMTS.

References to mobile services are to our wireless voice and data transmission services but excluding WiFi.

References to mobile subscribers are to active subscribers of our mobile telecommunications services. A subscriber is considered active if the subscriber's activity resulted in income to VimpelCom during the most recent three months and if the subscriber remained in the mobile subscriber base at the end of the reported period. Such activity includes all incoming and outgoing calls, subscriber fee accruals, debits related to service, outgoing short messaging service, or SMS, and multimedia messaging service, or MMS, and data transmission and receipt sessions, but does not include incoming SMS and MMS sent by our company or abandoned calls. We calculate MOU and ARPU on the basis of subscriber data using the active subscriber definition. Previously, we reported mobile subscriber data on the basis of registered mobile subscribers. A registered mobile subscriber is an authorized user of mobile services, using one SIM card (GSM/3G) with one or several selective numbers.

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References to Russian rubles are to the lawful currency of the Russian Federation.

References to US\$ or \$ or USD or U.S. dollars are to the lawful currency of the United States of America.

Certain amounts and percentages that appear in this Annual Report on Form 20-F/A have been subject to rounding adjustments. As a result, certain numerical figures shown as totals, including in tables, may not be exact arithmetic aggregations of the figures that precede or follow them.



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**CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

This Annual Report on Form 20-F/A contains forward-looking statements, as this phrase is defined in Section 27A of the U.S. Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements are not historical facts and can often be identified by the use of terms like estimates, projects, anticipates, expects, intends, believes, will, may, should or the negative of these terms. All forward-looking statements, including discussions of strategy, plans, objectives, goals and future events or performance, involve risks and uncertainties. Examples of forward-looking statements include:

our strategy to generate sufficient net cash flow in order to meet our debt service obligations;

our plans to develop and provide integrated telecommunications services to our customers, increase fixed and mobile telephone use and expand our operations in Russia and the CIS;

our ability to execute our business strategy successfully and achieve the expected benefits from our existing and future acquisitions;

our ability to successfully integrate the operations, systems and policies of Golden Telecom with our own;

our ability to successfully challenge claims brought against KaR-Tel;

our expectations as to pricing for our products and services in the future, improving the total average monthly service revenues per subscriber and our future operating results;

our expectation that we may need to increase our debt financing amounts to accommodate for changes in revenue;

our ability to meet license requirements and to obtain and maintain licenses and regulatory approvals;

our expectations regarding our brand name recognition and our ability to successfully promote our brand;

our ability to obtain, maintain, renew or extend frequency allocations and to make payments for existing frequency allocations and future frequency channels;

our ability to obtain and maintain interconnect agreements;

our ability to enter into strategic partnerships and joint ventures to develop our business and expand our operations beyond the CIS; and

other statements regarding matters that are not historical facts.

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While these statements are based on sources believed to be reliable and on our management's current knowledge and best belief, they are merely estimates or predictions and cannot be relied upon. We cannot assure you that future results will be achieved. The risks and uncertainties that may cause our actual results to differ materially from the results indicated, expressed or implied in the forward-looking statements used in this Annual Report on Form 20-F/A include:

risks relating to changes in political, economic and social conditions in each of the countries in which we operate;

in each of the countries in which we operate, risks relating to legislation, regulation and taxation, including laws, regulations, decrees and decisions governing the telecommunications industry, currency and exchange controls and taxation legislation, and their official interpretation by governmental and other regulatory bodies and courts;

risks that various courts or regulatory agencies in which we are involved in legal challenges or appeals may not find in our favor;

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risks relating to our company, including demand for and market acceptance of our products and services, regulatory uncertainty regarding our licenses, frequency allocations and numbering capacity, constraints on our spectrum capacity, availability of line capacity and competitive product and pricing pressures;

risks associated with discrepancies in subscriber numbers and penetration rates caused by differences in the churn policies of mobile operators; and

other risks and uncertainties.

These factors and the other risk factors described in this Annual Report on Form 20-F/A (in the section entitled "Item 3 Key Information D. Risk Factors") are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our future results. Under no circumstances should the inclusion of such forward looking statements in this Annual Report on Form 20-F/A be regarded as a representation or warranty by us or any other person with respect to the achievement of results set out in such statements or that the underlying assumptions used will in fact be the case. The forward-looking statements included in this Annual Report on Form 20-F/A are made only as of the date of the Original Filing and we cannot assure you that projected results or events will be achieved. Except to the extent required by law, we disclaim any obligation to update or revise any of these forward-looking statements, whether as a result of new information, future events or otherwise.

**Table of Contents****PART I****ITEM 1. Identity of Directors, Senior Management and Advisers**

Not required.

**ITEM 2. Offer Statistics and Expected Timetable**

Not required.

**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 Annual Report on Form 20-F/A. As discussed in the Explanatory Note to this Annual Report on Form 20-F/A, we are restating our historical consolidated financial statements as of December 31, 2008 and for the year then ended, and the following table reflects the adjustments made in connection with the restatement (see Note 23, Restatement of the Measurement of Noncontrolling Interest, to our consolidated financial statements included elsewhere in this Annual Report on Form 20-F/A). 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 Annual Report on Form 20-F/A. 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 Annual Report on Form 20-F/A and the section of this Annual Report on Form 20-F/A 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
Sales of equipment and accessories	107,946	6,519	19,265	30,478	38,711
Other revenues	17,190	6,528	2,931	5,419	3,571
<b>Total operating revenues</b>	<b>10,124,986</b>	<b>7,174,880</b>	<b>4,869,857</b>	<b>3,211,118</b>	<b>2,113,002</b>
Revenue based taxes	(8,054)	(3,782)	(1,879)		
<b>Net operating revenues</b>	<b>10,116,932</b>	<b>7,171,098</b>	<b>4,867,978</b>	<b>3,211,118</b>	<b>2,113,002</b>
<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
<b>Total operating expenses</b>	<b>7,580,982</b>	<b>4,964,908</b>	<b>3,470,659</b>	<b>2,233,086</b>	<b>1,438,836</b>
<b>Operating income</b>	<b>2,535,950</b>	<b>2,206,190</b>	<b>1,397,319</b>	<b>978,032</b>	<b>674,166</b>

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**Other income and expenses:**

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)

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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)				
<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 (restated*)	US\$ 10.32	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 <sup>(2)</sup>	US\$ 0.52	US\$ 1.44	US\$ 0.80	US\$ 0.60	US\$ 0.43
Net income attributable to VimpelCom per common share (restated*)	US\$ 10.32	US\$ 28.78	US\$ 15.94	US\$ 12.05	US\$ 8.50
Net income attributable to VimpelCom per ADS equivalent <sup>(1)</sup>	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 <sup>(2)</sup> (restated*)	US\$ 10.32	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 <sup>(1)</sup>	US\$ 0.52	US\$ 1.44	US\$ 0.80	US\$ 0.60	US\$ 0.42
Diluted net income attributable to VimpelCom per common share <sup>(2)</sup> (restated*)	US\$ 10.32	US\$ 28.78	US\$ 15.93	US\$ 12.04	US\$ 8.49
Diluted net income attributable to VimpelCom per ADS equivalent <sup>(2)</sup>	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

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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.

\* Restated amounts for the year ended December 31, 2008. Please refer to Note 23, Restatement of the Measurement of Noncontrolling Interest, to our consolidated financial statements included elsewhere in this Annual Report on Form 20-F/A.

	2008	2007	At December 31, 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) <sup>(1)</sup>	(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 <sup>(2)</sup>	8,442,926	2,766,609	2,489,432	1,998,166	1,581,138	
Total liabilities	11,115,307	4,868,688	4,235,777	3,377,861	2,620,728	
Redeemable noncontrolling interest*	469,604					
Total equity (restated*)	US\$ 4,140,242	US\$ 5,700,196	US\$ 4,200,769	US\$ 2,929,175	US\$ 2,159,513	

(1) Working capital is calculated as current assets less current liabilities.

(2) Includes bank loans, Russian ruble denominated bonds, equipment financing and capital lease obligations for all periods presented. Subsequent to December 31, 2008, there have been a number of additional changes in certain of our outstanding indebtedness. For information regarding these changes, see Item 5 Operating and Financial Review and Prospects Liquidity and Capital Resources Financing activities.

\* Restated amounts as of December 31, 2008. Please refer to Note 23, Restatement of the Measurement of Noncontrolling Interest, to our consolidated financial statements included elsewhere in this Annual Report on Form 20-F/A.

**Table of Contents****Selected Operating Data**

The following selected operating data as of December 31, 2008, 2007, 2006, 2005 and 2004 has been derived from internal company sources and from independent sources that we believe to be reliable. The selected operating data set forth below should be read in conjunction with VimpelCom's consolidated financial statements and their related notes included elsewhere in this Annual Report on Form 20-F/A and the section of this Annual Report on Form 20-F/A entitled "Item 5 Operating and Financial Review and Prospects." Our subscriber data, ARPU and MOU for years 2005-2008 and churn figures for year 2008 in the table below are reported on the basis of active subscribers.

	2008	2007	As of December 31, 2006	2005	2004
<b>Selected industry operating data:</b>					
Estimated population: <sup>(1)</sup>					
Russia	142,008,800	142,008,800	145,166,700	145,166,700	145,166,700
Kazakhstan	15,571,500	15,571,500	14,953,000	14,938,400	14,938,400
Ukraine	46,192,300	46,192,300	48,457,000	48,457,000	
Tajikistan	7,215,700	7,215,700	6,919,900	6,780,400	
Uzbekistan	27,100,000	27,100,000	26,021,300		
Armenia	3,230,100	3,230,100	3,200,000		
Georgia	4,500,000	4,500,000			
Estimated mobile subscribers: <sup>(2)</sup>					
Russia	187,830,000	172,870,000	151,920,000	125,760,000	74,350,000
Kazakhstan	14,437,927	12,692,511	7,735,500	5,510,300	2,700,000
Ukraine	55,793,102	55,596,318	49,219,900	30,205,100	
Tajikistan	3,428,061	2,131,103	821,500	275,000	
Uzbekistan	12,276,098	5,931,796	2,716,700		
Armenia	2,561,280	1,868,571	1,184,000		
Georgia	3,757,055	2,690,405			
Mobile penetration rate: <sup>(3)</sup>					
Russia	132.3%	121.7%	104.6%	86.6%	51.2%
Kazakhstan	92.7%	81.5%	51.7%	36.9%	18.1%
Ukraine	120.8%	120.4%	103.4%	63.8%	
Tajikistan	47.5%	29.5%	11.9%	4.1%	
Uzbekistan	45.3%	21.9%	10.4%		
Armenia	79.3%	57.8%	37.0%		
Georgia	83.5%	59.8%			
<b>Selected company operating data:</b>					
End of period mobile subscribers:					
Russia	47,676,844	42,221,252	39,782,690	35,936,356	
Kazakhstan	6,269,927	4,603,300	3,052,878	1,813,938	
Ukraine	2,052,493	1,941,251	1,523,682	249,189	
Tajikistan	624,624	339,393	72,028		
Uzbekistan	3,636,243	2,119,612	700,470		
Armenia	544,271	442,484	415,965		
Georgia	225,055	72,655			
<b>Total mobile subscribers</b>	<b>61,029,457</b>	<b>51,739,947</b>	<b>45,547,713</b>	<b>37,999,483</b>	
Market share: <sup>(4)</sup>					
Russia	25.4%	29.9%	31.7%	34.3%	34.6%
Kazakhstan	43.4%	46.5%	49.5%	37.2%	31.8%
Ukraine	3.6%	4.8%	3.8%	0.9%	
Tajikistan	18.3%	18.1%	7.0%	9.6%	
Uzbekistan	29.6%	37.3%	27.2%		
Armenia	21.2%	26.1%	37.9%		
Georgia	6.0%	3.7%			
Monthly average minutes of use per mobile subscriber (MOU <sup>(5)</sup> )					
Russia	219.1	192.1	145.9	120.4	



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Kazakhstan	104.3	94.6	70.4	55.3
Ukraine	231.8	163.2	149.7	36.2

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Tajikistan	238.9	220.6	121.1
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