

MTS Beats Profit Forecast

By [The Moscow Times](#)

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MTS said Thursday that its third-quarter earnings fell 5.7 percent because of a smaller foreign exchange gain and higher interest expenses than a year ago, although the results beat analysts' forecasts.

Net profit amounted to \$475.5 million, compared with a \$462.2 million average forecast in a Reuters poll, and was down from a revised \$504.1 million in the third quarter of 2009.

MTS chief executive Mikhail Shamolin also said the company would be interested in buying South Korea's KT Corp's 80 percent stake in Russia's New Telephone Co., or NTC.

"We are quite a significant player in Russia's Far East, and NTC is a good company, so we will be looking at it," Shamolin told a news conference.

Revenue grew 10.8 percent to \$2.91 billion, in line with forecast, MTS, part of oil-to-telecoms holding company Sistema, said in a statement.

MTS cut its full-year 2010 capital expenditure guidance to 20 percent of sales from the previous forecast of 22-24 percent after rescheduling payments to suppliers, and Shamolin said capex was likely to be higher in 2011 than in 2010.

MTS was trading up 3 percent midday Thursday in New York.

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