

MegaFon Q1 Net Down 2% on Charges

By [The Moscow Times](#)

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MegaFon, the country's second-biggest mobile phone operator, said Tuesday that its first-quarter net profit fell by nearly 2 percent year on year because of higher depreciation and amortization charges.

The company, which last year overtook VimpelCom as the No. 2 player behind MTS, said Tuesday that net profit fell to 10.09 billion rubles (\$359.2 million) from 10.28 billion a year ago.

MegaFon, almost 44 percent owned by Nordic telecoms operator TeliaSonera, said quarterly depreciation and amortization expenses rose more than 30 percent on the same period a year ago, offsetting an 18 percent rise in revenue.

Sales, driven by revenue from wireless data transfer, amounted to 55.2 billion rubles, but operating profit decreased 4 percent to 12.2 billion.

MegaFon is unlisted, but analysts see its results as an indication of the performance of public

Russian peers.

Operating income before depreciation and amortization rose 11.1 percent to 23.8 billion rubles, with OIBDA margin falling to 43.2 percent from 45.8 percent a year ago.

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