

VimpelCom Resumes Growth In Wake of \$386M Loss in Q4

By [The Moscow Times](#)

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Mobile phone group VimpelCom forecast earnings and revenues would grow by a mid single-digit percentage from 2012-14, with its purchase of Wind Telecom last year providing a boost amid tough trading conditions at home.

The firm, which now has operations in Italy and North Africa in addition to Russia and the CIS as a result of the \$6 billion deal, set the growth target for earnings before interest, tax, depreciation and amortization, or EBITDA, as well as revenue.

VimpelCom said Tuesday that it made a net loss of \$386 million in the fourth quarter of 2011, hit by noncash items of \$437 million relating to foreign exchange movements and one-off charges on operations in Vietnam and Cambodia as well as the Wind deal.

"We thought maybe there would be some one-offs relating to the Wind deal, but it is still a negative surprise. ... Unfortunately there is also not much growth in operations, held back

by the Russian operation," VTB analyst Viktor Klimovich said.

EBITDA fell 3 percent in the fourth quarter to \$2.2 billion. However, revenues rose 5 percent excluding acquisitions to \$5.9 billion and mobile subscriber numbers were up 13 percent to 205 million.

"The 2011 results provide a good platform for profitable growth and improved cash flows. ... We expect to leverage the benefits of our increased size and capabilities," VimpelCom chief executive Jo Lunder said in a statement.

The firm's strategy includes cost savings and adding subscribers in its core Russian market, where the firm has been losing market share to rivals MTS and MegaFon.

VimpelCom, long the stage of a battle between top shareholders Telenor of Norway and Russia's Altimio, said it would pay a dividend of 0.80 cents per share for 2011. It is committed to a payout of at least that until 2014.

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