

Russia Buys VimpelCom's Q1

By [The Moscow Times](#)

May 15, 2012



Vimpelcom's revenues grew 11 percent to 67 billion rubles last year. Above, a piggy bank with the trademark black-and-yellow stripes of Vimpelcom's Beeline brand. **Maksim Stulov**

Telecoms operator VimpelCom Ltd. said it was seeing signs of a turnaround in its core Russian business, and it had a good chance of winning one of the next-generation 4G licenses to be awarded by the government.

Though overall first-quarter net profit fell by nearly a third, hit by higher taxes and rising finance costs, New York-listed VimpelCom Ltd. said core profit in Russia had reversed a decline seen last year and revenues were growing.

“We are not so focused on subscriber market share and more focused on EBITDA,” chief executive Jo Lunder said in a telephone interview.

EBITDA in Russia rose 9 percent year on year to 27.7 billion rubles (\$913 million), while revenues grew 11 percent to 67 billion rubles. The company said Russian results were boosted by higher Internet usage and better control of costs.

Subscriber numbers grew 5 percent year on year to 55.6 million, though they fell 3 percent on the previous quarter.

VimpelCom is part owned by Altimio, the telecoms arm of Russian billionaire Mikhail Fridman's Alfa Group, Norway's Telenor and Egyptian tycoon Naguib Sawiris's Weather Investments.

Lunder said he was hoping VimpelCom would win one of the 4G licenses due to be awarded in Russia. In May, Russia launched a tender for long-awaited licenses on 4G network services, and it is expected to announce the winners on July 12.

MTS, MegaFon and VimpelCom, as well as long-distance operator Rostelecom and Sweden's Tele2, have yet to secure enough spectrum to roll out full 4G services in Russia.

RBC Daily reported Tuesday that Tele2 might sell its Russian business if it does not get an LTE license. The newspaper said it had started talks with Rostelecom that indicated a valuation of \$3.4 billion to \$3.7 billion.

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