

VimpelCom Q3 Profit Up 185%

By [The Moscow Times](#)

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Telecom group VimpelCom, with assets in Russia, Italy and various emerging markets, said Wednesday that its third-quarter net profit nearly tripled year on year due to higher operating profit and foreign-exchange gains. That beat expectations.

Net profit totaled \$538 million, the Amsterdam-registered group said in a statement, up 185 percent from a year ago and above the \$521 million average forecast in a Reuters poll of analysts.

Consolidated revenue fell 6 percent to \$5.75 billion, in line with forecasts, due mainly to weakness in almost all its operating currencies, including the ruble, against the dollar, VimpelCom's reporting currency.

Organic revenue growth, excluding the effect of foreign-currency movements, was 3 percent, as the company's total mobile subscriber base rose 7 percent to 212 million.

Earnings before interest, taxation, depreciation and amortization fell 2 percent to \$2.53

billion, for a 44 percent margin, compared with the consensus forecasts of \$2.51 billion and 43.7 percent, respectively.

The company also said it continued to see a positive trend in its core Russian market, where it ceded the number-two spot to rival MegaFon in 2010 while pursuing global expansion through a more than \$6 billion deal for Egypt's Orascom Telecom and Italy's Wind.

In Russia, it reported 7 percent organic revenue growth for the third quarter, driven by mobile data, and an increase in its EBITDA margin from 40 percent a year ago to 43.2 percent as a result of its focus on profitability versus growth.

VimpelCom's largest shareholders are Altimio, the telecom arm of Russian billionaire Mikhail Fridman's Alfa-Group, and Norwegian telecom group Telenor.

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