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VimpelCom Q1 Net Profit at $408M

By The Moscow Times

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Telecom group VimpelCom, with assets in Russia, Italy and various emerging markets, reported Wednesday a 28 percent rise in first-quarter earnings as it cut costs, but profits lagged market expectations.

The net profit increased to $408 million compared to $318 million in the first three months of 2012, the company said in a statement, which was below the $421.4 million average forecast in a poll of analysts.

Quarterly revenues were flat at $5.59 billion and earnings before interest, taxation, depreciation and amortization, or EBITDA, grew 2 percent to $2.35 billion with a 42 percent margin.

Growth in EBITDA was held back by the negative impact of unfavorable currency movements as well as cuts in the mobile termination charges on other operators in Italy, while the bottom line was affected by higher financial expenses.

Analysts expected revenue of $5.65 billion, EBITDA of $2.36 billion and the margin at 41.8 percent.

Altimo, part of Russian tycoon Mikhail Fridman's Alfa Group, has a 48 percent voting stake in VimpelCom, while Norway's Telenor is the second-biggest shareholder with 43 percent.

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