

MTS Says Sales Growth Could Drop

By [The Moscow Times](#)

February 04, 2014



A woman selling MTS pay plans. An economic slump could hit the firm. **Vladimir Filonov**

MTS, the country's biggest mobile phone operator, said on Tuesday its sales growth could moderate in the next three years as an economic slowdown may affect consumer demand.

The company expects sales to rise by 3-5 percent a year in 2014-2016, compared with targeted growth of around 5 percent in 2013, chief executive officer Andrei Dubovskov told reporters.

MTS cited a possible fall in revenues from voice calls amid a broader decline in economic activity and lower roaming revenues as cash-strapped consumers are expected to travel less.

It also said sales of smartphones could fall as incomes are expected to decline and the cost of consumer credit may rise.

MTS, part of oil-to-telecoms conglomerate Sistema, in November cut its 2013 sales growth forecast to "at least 5 percent" from 5-7 percent, citing weakening economic conditions,

and said it was likely to deliver "single-digit" percentage sales growth in 2014.

The company hopes to partly offset the impact of macroeconomic troubles by developing its retail chain with the aim of growing sales of tablet computers and other data-focused devices.

MTS also said it expects to pay a total of 90 billion rubles (\$2.6 billion) in dividends in 2014-2015 — higher than its current policy indicates.

Its current policy states that for 2013-2015, it aims to pay at least 75 percent of free cash flow or, if greater, 40 billion rubles per year.

Original url: <https://www.themoscowtimes.com/2014/02/04/mts-says-sales-growth-could-drop-a31704>