

Mobile Operator Vimpelcom Cuts Full-Year Sales

By [The Moscow Times](#)

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Vimpelcom, Russia's third-biggest mobile operator with assets in Italy and several emerging markets, cut its full-year sales and profit guidance on Wednesday citing a challenging environment in many markets.

Vimpelcom now expects declines in revenues and core profit, or EBITDA, "of a low to mid single digit", compared with earlier guidance for flat revenue and EBITDA.

"We previously indicated our expectation that 2014 would be a challenging year and the Q1 results reflect the more difficult trading environment," CEO Jo Lunder said in a statement.

The company reported a 10 percent year-on-year fall in first-quarter revenues to \$5 billion and an 11 percent decline in its earnings before interest, taxation, depreciation

and amortisation. Net profit fell 90 percent to \$39 million.

Vimpelcom said its Russian business unit continued to see pressure as it fought for customer loyalty. Italy remained challenging because of heavy price competition, and its businesses in Africa and Asia had been squeezed by tough regulations.

The company, which this year scrapped dividends to free up cash to repay its more than \$20 billion debt, also revised its 2014 net debt to EBITDA target to around 2.4 from 2.3.

Vimpelcom's biggest shareholders are Russian billionaire Mikhail Fridman's Alfa Group and Norwegian telecoms group Telenor.

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