

Russia, Ukraine Crisis to Hit Mobile Operator Vimpelcom in 2015

By [The Moscow Times](#)

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Amsterdam-based mobile operator Vimpelcom said its fourth-quarter net loss narrowed, helped by a rise in customers and a fall in spending, but warned that 2015 would be challenging due to the economic crises in Russia and Ukraine.

The company, which owns the third largest mobile operator in Russia with the same name, said its net loss in the fourth quarter was \$935 million, down from \$3.9 billion a year earlier when it made hefty write-offs on its assets in Ukraine and Canada.

Vimpelcom's fourth-quarter revenue fell 21 percent to \$4.4 billion, while earnings before interest, taxation, depreciation and amortization (EBITDA) rose 58 percent to \$1.6 billion.

It said its total mobile customers number rose to 221.6 million from 216.9 million a year ago, while capital expenditures (capex) excluding licenses were down by 29 percent to \$1.2 billion.

"We expect the operating environment to remain difficult in 2015, however I am confident that we have the right strategy to deliver on our targets," Vimpelcom Chief Executive Officer Jo Lunder said in a statement.

The company expects its EBITDA margin, excluding ruble weakening and asset disposals, to be flat or slightly lower this year compared with 40.6 percent in 2014.

"The guidance suggests that the challenging outlook for the business remains intact," VTB Capital said in a note.

Vimpelcom also said it targeted earnings per share in the range of \$0.35-0.40 after a loss of \$0.53 per share in 2014.

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