

MegaFon Q1 Down 8%

By [The Moscow Times](#)

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Profit and margins at No. 2 telecoms operator MegaFon slipped in the first quarter as it prepares for an initial public offering in London that could raise \$4 billion.

The company said first-quarter net profit fell 8.1 percent year on year to 9.27 billion rubles (\$306 million), hit by network expansion costs and foreign exchange losses. Revenue rose 14.4 percent to 63.1 billion rubles, while operating income before tax and amortization rose 7.3 percent to 25.5 billion rubles, giving it a margin of 40.5 percent, down from 43.2 percent.

The company, which plans an IPO that a source previously said could be in the second half of 2012, is controlled by Russia's richest man, Alisher Usmanov, who took his holding to a majority last month by buying some of the shares held by oligarch Mikhail Fridman and Nordic telecoms firm TeliaSonera.

(Reuters)

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