

MTS Profits Flat in Q1, Full Year Guidance Unchanged

By [The Moscow Times](#)

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Russia's biggest mobile phone operator MTS said Tuesday its first-quarter net profit was almost unchanged from the same year-ago period, slightly missing estimates.

The company confirmed full-year targets as first-quarter revenues and core profit grew ahead of the guided range but did not rule out a revision later because of economic volatility and currency depreciation in Russia and Ukraine, its key markets.

"We are not changing guidance for now. There will be an impact but it's very early to talk about how it may affect annual results," chief financial officer Alexei Kornya told reporters, when asked about the impact from a weaker economy.

MTS reported a net profit of 13 billion rubles (\$380 million) for the first three months of 2014, compared with 12.96 billion a year ago, while analysts had on average expected a profit of 13.5 billion rubles.

Revenues rose 5.1 percent to 97.6 billion rubles, above the average forecast of 97 billion in a Reuters poll and just ahead of the company's 3 to 5 percent target.

Its Russian mobile revenues rose 7.2 percent, year-on-year, helped by growing data traffic while in Ukraine its revenues edged up 1.4 percent, MTS said in a statement.

MTS, part of oil-to-telecoms conglomerate Sistema, also said its operating income before depreciation and amortization, or OIBDA, grew 5.3 percent to 41.5 billion rubles, above the 41.2 billion poll figure and the company's guidance for 2 percent growth in 2014 as a whole.

The company's chief executive Andrei Dubovskov said last week that he did not see any serious risk to MTS's business from Russia's economic slowdown or from Western sanctions imposed on Moscow over the Ukraine crisis.

The European Union and the U.S. have imposed sanctions on some individuals and businesses considered close to President Vladimir Putin over Russia's annexation of the Crimea region from Ukraine in March.

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