

Metalloinvest H1 Profit Up 47%, Tops Vale in Reserves

By [The Moscow Times](#)

November 09, 2010

The  **Moscow Times**

Metalloinvest, the iron-ore business led by billionaire Alisher Usmanov, announced results on Monday that include a 47 percent jump in first-half profit on prices and output.

The company also overtook Brazilian competitor Vale as the holder of the largest reserves, chief executive Eduard Potapov said. An audit showed Metalloinvest's reserves at 14.8 billion tons, Potapov said.

Net income reached 15.6 billion rubles (\$510 million) on a 43 percent gain in sales to 99.9 billion rubles, the company said. Earnings before interest, taxes, depreciation and amortization almost quadrupled to 36.5 billion rubles, and EBITDA margin was 37 percent, it said.

Iron-ore companies including Vale, the world's biggest, are boosting production to meet increasing demand from China, the largest consumer of the commodity.

Vale said Oct. 28 that it would almost double its investment next year to \$24 billion as it seeks to expand iron-ore production, as well as expand in nonferrous businesses including nickel, copper and fertilizers.

Metalloinvest more than doubled iron-ore concentrate output to 17.1 million metric tons, while steel was flat at 3.1 million tons. The company said last month that it expects iron-ore prices to jump as much as 33 percent by end-2011. It will boost production about 20 percent to 36 million tons this year as demand surges in China.

Usmanov and his partners are considering seeking as much as \$4 billion in an initial public offering in London as early as the first half of next year, two people familiar with the matter said last week.

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30