

RusAl Q2 Down 70%, Hopes for Dividend Payout

By [The Moscow Times](#)

August 29, 2011

The  Moscow Times

United Company RusAl, the world's top aluminum producer, on Monday reported a sharper-than-expected 70 percent drop in net profit in the second quarter on noncash items as cost inflation offset higher prices and output.

However, its shares in Hong Kong rose 3.5 percent after the results, which had largely been reflected in the stock's weak performance this year, with investors betting on aluminum's long-term growth linked to demand from China.

RusAl, which competes with U.S. aluminum maker Alcoa, said it expects demand for aluminum to continue to strengthen because consumers are using more and the company has been able to raise its prices to pass on higher costs of raw materials, power and labor.

RusAl posted a net profit of \$339 million for the three months ended June, compared with an average forecast of \$470 million from eight analysts polled by Reuters.

Profit for the same period a year earlier stood at \$1.12 billion, it said in a statement.

Stripping away noncash items, such as net effects from its share in the results of Norilsk Nickel, its adjusted net profit for the three-month period was \$243 million, down 31 percent on the year.

RusAl expects to complete debt refinancing talks in about four weeks, allowing the world's largest aluminum maker to start paying dividends for the first time since it listed, said deputy chief executive Oleg Mukhamedshin.

"The company is eager to refinance all of its debt by the end of September," Mukhamedshin said Wednesday in a conference call. "From a technical view, the company will be in a position to start paying dividends."

(Reuters, Bloomberg)

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