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Norilsk H1 Profit Down 23%

By The Moscow Times

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Norilsk Nickel, the world's largest miner of the metal, said first-half profit fell 23 percent as it booked a one-time loss from the sale of power utility OGK-3.

Net income dropped to $1.79 billion from $2.33 billion a year earlier, the Moscow-based company said Friday in a statement. Revenue rose 24 percent to $7.3 billion, with nickel sales making up half that amount.

In March, Norilsk completed the sale of its 79 percent holding in OGK-3 to state-controlled utility Inter RAO UES. Inter RAO had agreed in December to swap $2.27 billion of its stock for the stake in OGK-3, which owns six thermal power plants in Russia. Norilsk posted a $560 million loss on discontinued operations related to the disposal of OGK-3, it said.

Palladium sales rose the most in the first half, advancing 62 percent, according to the statement. Earnings before interest, tax, depreciation and amortization increased 15 percent to $3.74 billion. Sales and distribution costs tripled to $385 million as export duties climbed. Administrative costs gained 22 percent to $368 million.

(Bloomberg)

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