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OGK-3's U.S. Fuel-Cell Maker Narrowed Net Loss Last Year

By The Moscow Times

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U.S. company Plug Power, the main owner of which is Russian generating company OGK-3, posted $27.45 million in net losses for 2011, down 41 percent from $46.95 million for the previous year, Interfax reported.

Plug Power develops fuel cells and eco-friendly energy products. Its main revenue is provided by the sale of fuel cells to large logistics centers.

Plug Power posted $7.1 million in net losses for the fourth quarter of 2011 compared with $8.6 million in the same period of 2010.

The company has been posting losses for several years but was expected to post profit for 2011. However, company head Andy Marsh said profit would likely be posted by the end of 2012 based on the results for the third quarter of 2011.

The company’s sales revenue for the fourth quarter increased 90 percent to $11.8 million and for 2011 it was up 40 percent to $27.6 million.

The company’s funds and their equivalent at the end of 2011 stood at $13.9 million compared with $21.4 million at the start of the year.

The company received $46.1 million in orders for 2011, including $18.1 million for the fourth quarter.

Interros and Norilsk Nickel purchased a stake in Plug Power in 2006. Two years later, they sold the stock to OGK-3, which at the time was controlled by Norilsk Nickel but subsequently came under the control of Inter RAO. This deal raised questions at Russian regulatory agencies about how OGK-3’s shareholders were gaining proceeds from the implementation of its investment program.

Plug Power has been showing losses for the past several years, but in 2011, the management expected noticeable improvement in the situation due to growth in the number of fuel-cell delivery contracts. OGK-3 spent $33 million for 33.45 percent of Plug Power, but that stake decreased to 19.4 percent last year when additional shares were issued.