

# Rosneft Announces \$247M Q2 Loss

By [The Moscow Times](#)

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Rosneft reported an unexpected second-quarter net loss of 8 billion rubles (\$247 million), blaming volatile oil and ruble markets and a high tax bill for a result that lagged behind analyst expectations for a 26.6-billion ruble profit.

Russia's largest oil producer had a net profit of about 78 billion rubles a year earlier, when it reported in dollars to U.S. Generally Accepted Accounting Principles. It switched to International Financial Reporting Standards this year.

The loss took some shine off the first-half net figure of 104 billion rubles, including a strong first quarter.

"Financial results of the first half of 2012 reflect the current economic situation, which is characterized by falling oil prices, higher export duties and considerable exchange rate volatility," chief executive Igor Sechin said Wednesday.

Rosneft reported second-quarter revenues of 718 billion rubles. EBITDA was reported at 89

billion rubles, short of expectations of 115 billion rubles.

Analysts had anticipated that Rosneft would report weak results for the quarter, in which oil prices dropped around 9 percent while the company paid key revenue-based, price-linked taxes at rates based on higher crude prices of earlier months.

In less than 10 years, Rosneft went from being a bit player in the Russian oil industry to become its top producer and the world's No. 2 among listed oil companies, bulked up by the assets of bankrupt oil company Yukos, Russia's former No.1.

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