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Profit Falls at NLMK

By The Moscow Times

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NLMK, one of the country's largest steelmakers, said Monday that revenue would be flat in the third quarter, partly due to falling prices for steel products, as it reported a sharp drop in second quarter profits.

NLMK, controlled by billionaire Vladimir Lisin, said net profit stood at $34 million for the period, undershooting the $94 million forecast by analysts and sharply down from the $278 million in the same period a year ago.

"In [the third quarter], conditions in the steel product market remain challenging," NLMK chief financial officer Grigory Fedorishin said in a statement. "Prices for steel products in a number of regions continued to fall, and the pricing environment remains volatile."

NLMK said crude steel output would rise 4 percent to 3.9 million tons in the third quarter, versus the second quarter. It forecast little change in revenue from the $2.8 billion it posted in the second quarter.

Shares of NLMK have lost about 64 percent in value since their peak in early 2011.

(Reuters)

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