

Steelmaker MMK Loses \$79 Million to Weak Ruble

By [The Moscow Times](#)

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Russian steelmaker MMK loses \$79 million.

Russian steelmaker MMK reported on Friday a \$79 million net loss for the first quarter, missing by a wide margin analysts' expectations for a \$10.3 million loss, but said it expected an improvement in the second quarter.

MMK said its bottom line was hit by an exchange loss of \$118 million on the back of a weaker ruble, adding that excluding this factor, it would have posted a \$39 million net profit. In the first quarter of 2013 MMK made a net profit of \$19 million.

Its revenue fell 18 percent year-on-year to \$1.9 billion and earnings before interest, taxation, depreciation and amortization (EBITDA) decreased 23 percent to \$294 million, slightly higher than forecast.

The decrease was because of a decline in steel prices in dollar terms on the domestic market as

the ruble weakened, the company said in statement.

However, domestic prices have been recovering since March which the company, controlled by businessman Viktor Rashnikov, expects will translate into improved results for the second quarter.

"In Q2 2014, the Group expects increased production and sales volumes as compared to the previous quarter amid growth of domestic steel prices. In addition, declining global iron ore prices will support MMK Group's financial results for Q2," the company said.

See also:

[Russia-China Gas Deal Will Boost Steelmakers Severstal and MMK](#)

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