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Germany's E.ON Remains Confident in Russian Market

By The Moscow Times

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The headquarters of German utility giant E.ON are seen before a news conference in Duesseldorf.

DUESSELDORF, Germany — E.ON sought to allay concerns about its business in Russia, with Germany's biggest utility saying on Wednesday that it remains confident in its most important foreign market and that investments do not depend on short-term currency swings.

Russia's ruble has plunged about 20 percent against the dollar over the past two days, triggering a massive rate increase by the central bank and increasing risks for companies on the ground.

"Our business in Russia has been a solid profit driver for six years," a spokesman for the company said in an emailed statement, adding that the swings in the ruble would not affect its long-term investment plans.

"E.ON continues to have faith in the stable investment conditions that have been guaranteed by the Russian government so far."

E.ON, shares in which were 0.2 percent lower at 1145 GMT, has ties with Russia on several levels. It imports about half of its gas from Gazprom and the country contributes more than 7 percent of E.ON's core profit.

Having invested about 6 billion euros ($7.5 billion) in Russia since 2007, E.ON owns 10.3 gigawatts of the country's generation capacity, more than 4 percent of the total. It is also a partner in Yuzhno Russkoye in Siberia, one of the world's largest gas fields.

However, it acknowledged that it continues to monitor the Russian situation closely.

The company said last month that it would split in two, a contentious move that will spin off businesses considered as problematic, including its loss-making coal and gas-fired plants.

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