The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Ruble Collapse Halves Profits at Russia's Novatek Gas Company

By The Moscow Times

February 27, 2015



Russia's second-largest natural gas producer Novatek said Friday its 2014 net income more than halved due to a weaker ruble, which inflated its foreign currency debt payments.

Russia's second-largest natural gas producer Novatek said Friday its 2014 net income more than halved due to a weaker ruble, which inflated its foreign currency debt payments.

Novatek, where French energy giant Total owns an 18 percent stake, said net profit fell almost 56 percent to 35.2 billion rubles ($575.6 million) last year.

This beats some analysts expectations. Alfa bank, for example, projected a deeper fall, to 30 billion rubles.

Russian energy companies have been hit by a fall in the ruble, which lost 40 percent of its value against the dollar in 2014. Weaker oil prices also contributed to a fall in profitability.

The company said its 2014 revenues rose by 20 percent to 357.6 billion rubles thanks

to increase in sales of oil and gas.

Novatek's shares were flat, underperforming broader Moscow stock market, which was up 0.1 percent.

Original url:
https://www.themoscowtimes.com/2015/02/27/ruble-collapse-halves-profits-at-russias-novatek-gas-company-a44294