

OGK-5's H1 Profits Double

By [The Moscow Times](#)

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Power producer OGK-5, controlled by Italy's Enel, said its first-half net profit more than doubled year on year as sales grew and costs were cut.

"These results more than meet market expectations for improved margins from OGK-5," said Derek Weaving from investment bank Renaissance Capital.

Net profit rose to 3.7 billion rubles (\$122 million) from 1.73 billion in the year-ago period, the company reported Wednesday.

"This shows that new generation markets are working, with the best genscos — of which OGK-5 is certainly one — finally creating real value for their shareholders," Weaving said.

Earnings before interest, tax, depreciation and amortization rose to 5.3 billion rubles from 3.73 billion and sales jumped to 25.8 billion rubles in the first half of 2010 from 19.21 billion in the first half of 2009.

Enel has invested heavily in Russia and holds 19.6 percent in SeverEnergiya, a partnership with Italy's Eni and Gazprom. At peak production, SeverEnergiya will supply Enel with 5 billion cubic meters of gas for its power plants in Russia.

Enel, which bought OJSC-5 in 2008, is Europe's most indebted utility and the second biggest utility market player in Europe with 55 million customers.

The company had 51.9 billion euros (\$67.4 billion) of debt at the end of March and aims in October to raise between 3 billion and 4 billion euros.

The funds would stem from the sale of a minority stake in Enel Green Power, in what would be Europe's largest initial public offering so far this year.

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