

AvtoVAZ Swings to H1 Profit

By [The Moscow Times](#)

October 05, 2010

The  **Moscow Times**

AvtoVAZ said Tuesday that it returned to the black in the first half of 2010 with a net profit of 3.1 billion rubles (\$101.8 million) as state assistance and a market recovery helped its revival.

The company, which makes Russia's biggest-selling Lada model, said it had benefited from interest-free loans provided by state-controlled Russian Technologies, while car sales had also been rising.

Revenue rose to 62 billion rubles for the six months to end June from 53.1 billion rubles a year earlier.

The company posted a net loss of 19.6 billion rubles in the first half of 2009.

AvtoVAZ was facing bankruptcy this time last year as the global economic crisis devastated Russian car sales and exposed the outdated business model of the Soviet-era behemoth.

It was eventually bailed out by the state and supported by 25 percent shareholder Renault.

Russian car sales soared 51 percent in August from a year ago, helped by a government sponsored scrappage scheme.

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