
TAQA announces 9 month financial results

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Abu Dhabi National Energy Company PJSC reported financial results for the Q3 and the January to September of 2009.

Key highlights for January to September of 2009

1. Total revenue was AED 12.5 billion compared with AED 13.1 billion for the same period in 2008.

(I). Revenue from the electricity and water business, excluding supplemental fuel increased 13% to AED 4.6 billion from AED 4.0 billion for the same period in 2008 primarily due to the expansion of Taweelah B and Fujairah I and revenue from the Red Oak tolling contract acquired in December 2008.

(II). Supplemental fuel revenues were AED 2.8 billion in 2009, compared with AED 2.2 billion in 2008. This was due to higher back up fuel costs in 2009, primarily in the domestic subsidiaries which is then passed through to the off takers.

(III). Revenue from oil and gas activities decreased 25% to AED 5.1 billion compared with AED 6.8 billion for the same period in 2008. This decrease was due to the decline in realized crude oil and natural gas prices. These declines were partially offset by additional revenue from TAQA's North Sea assets acquired in December 2008.

2. Cost of sales was AED 9.1 billion in 2009 an increase of 24% over AED 7.3 billion in 2008, reflecting AED 1.6 billion of costs related to assets acquired in December 2008. It also includes AED 551 million of fuel costs.

3. Administrative and other expenses were AED 570 million in 2009 compared with AED 575 million in 2008.

4. EBITDA was AED 5.8 billion for January to September of 2009, versus EBITDA of AED 7.8 billion in the same period in 2008.

5. Net profit, after minority interests was AED 266 million compared with AED 1.6 billion in the same period in 2008.

6. Basic earnings per share were 4 fils for the period compared with 35 fils for the same period in 2008.

7. Total assets as at September 30th 2009 were AED 93.1 billion reflecting recently completed acquisitions.

8. Net cash was AED 4.3 billion up from AED 4.2 billion at the end of December 2008.

9. Net debt to capital was 84% down from 85% at the end of Q2 2009.

Key highlights for the Q3 of 2009:

1. Total revenue reached AED 3.9 billion compared with AED 4.5 billion for the same period in 2008, a decrease of 14%.

(I). Revenue from the electricity and water business, excluding supplemental fuel, increased 11% to AED 1.6 billion from AED 1.5 billion for the same period in 2008. This increase was primarily due to the expansion of Taweelah B and Fujairah I and revenue from the Red Oak tolling contract acquired in December 2008.

(II). Revenue from oil and gas activities declined 33% to AED 1.5 billion compared with AED 2.2 billion for the same period in 2008 driven by the decline in realized prices.

2. Cost of sales was AED 2.8 billion in 2009, an increase of 9% from AED 2.6 billion in 2008. The increase was primarily driven by additional operating costs related to new acquisitions in December 2008 which was partially offset by overall lower operating costs.

3. Administrative and other expenses were AED 219 million in 2009 compared with AED 193 million in 2008.

4. EBITDA was AED 1.9 billion for the Q3 of 2009, versus EBITDA of AED 3.0 billion in the same period in 2008.

5. Net profit, after minority interests, for the quarter was AED 90 million compared with AED 723 million in the same

quarter in 2008.

6. Basic earnings per share were 2 fils for the quarter compared with 13 fils for the same period in 2008.

Mr Carl Sheldon GM of TAQA said that “The value of our diversified business model has been amply demonstrated through the stable cash flows generated by our downstream assets, which have offset the greater volatility of our upstream business. During the quarter and throughout the year, TAQA has made significant progress in maximizing its existing assets. Not only did we take over the operator ship of the North Sea Brent pipeline system and facilities in August, but were also appointed operator of the L11BA platform in the Dutch North Sea, which we took over from Chevron. In the past month, we passed another milestone, having brought our first new well on stream in the UK North Sea, effectively boosting European production by 10,000 barrels of oil equivalent a day. In October, we were pleased to announce, on behalf of the Bergermeer Gas Storage Consortium, a positive final investment decision for what will be Europe’s largest gas storage facility with third party access. This will position TAQA at the heart of Europe’s future energy system. I firmly believe that our global energy assets present our investors with significant potential value and our focus now is on fulfilling this through the optimization of our existing portfolio into 2010 and beyond.”

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