

Qatar Electricity second quarter profit advances 16%

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QATAR POWER: Qatar Electricity is 43 percent government-owned and operates power and water desalination plants throughout the Gulf Arab emirate. (Getty Images)

Qatar Electricity & Water Co, the second-largest utility in the Middle East by market capitalisation, announced a second-quarter profit of QR314.7m (\$86.5m), beating analyst estimates.

The results for the three months to June 30 showed a 16 percent rise from the 271.8 million riyals that the company reported a year earlier, according to a financial statement posted on the Qatar Exchange website on Thursday. The company didn't give a reason for the increase. The result beat the 297 million-riyal mean estimate of three analysts.

The company is a shareholder in the new 2,000 megawatt Mesaieed Power Co. plant and the 2,730 megawatt Ras Laffan C plant, called Ras Girtas, which is scheduled to reach full capacity in 2011.

"The capacity addition from Mesaieed and Ras Girtas will feed the revenue starting from this year," said Essam Abd El-Alim, analyst at Cairo-based Naeem Holding who forecast a second-quarter profit of 255 million riyals.

Qatar Electricity, which is 43 percent government-owned and operates power and water desalination plants throughout the Gulf Arab emirate, has benefited from the country's expanding power demand.

Qatar, which has the world's third-largest gas reserves, plans to raise its power generation output to 9,000 megawatts in the coming years and may export electricity to neighbouring countries, Energy Minister Abdullah Bin Hamad al-Attiyah said in May. Attiyah is also the chairman of Qatar Electricity.

Qatar Electricity is also expanding outside of the emirate. The company has bid to build a plant in Oman, Attiyah said at the time, and it announced in April it would sign an accord with Syrian-Qatari Holding Co. to build two electric stations in Syria.

Qatar Electricity, up 3 percent this year, fell 1.8 percent to 103.1 riyals a share on the Qatar Exchange today, its biggest decline since July 4. The company has risen 3 percent this year compared to a 0.1 percent decline for the QE Index of leading Qatari companies.