

OGK-1 Picks Banks for Share Sale

By [The Moscow Times](#)

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OGK-1 has picked two banks to organize a share placing in London and will start a roadshow to promote the issue at the end of September, sources said Friday.

"The placement is planned in London," one source familiar with the company's plans said, while a market source said the company wanted to start the process this month.

Russia's biggest thermal generating firm, which is planning an additional issue of 38 billion shares, on Thursday secured financial regulator approval to list half of that stock abroad, though the company has not yet said where it would launch the issue.

A banking source said Troika Dialog and Goldman Sachs had been picked as organizers, with the roadshow due to start at the end of September.

Russian companies have taken advantage of improved investor sentiment and economic recovery to tap foreign and domestic markets this year through bond and share issues.

But market turbulence and concern over euro-zone sovereign debt burdens prompted some to put such plans on hold in late spring and early summer.

OGK-1 shareholders, including state-controlled Federal Grid Company, or FSK, and RusHydro, late last year approved an additional share issue for 85 percent of the company's capital.

State power firm Inter RAO, which manages the FSK and RusHydro stakes in OGK-1, had indicated that it could buy the whole issue, but company representatives subsequently said some of the placement could take place on the open market.

"The structure of the deal is complicated. Part of the stake will be bought by strategic investors," said one of the sources, naming Inter RAO and state-run Vneshekonombank as possible candidates.

The cash is needed to fund the completion of the Urengoi power station in the Far North, being built at an estimated cost of 25 billion rubles (\$819 million). OGK-1's total investment program is estimated at more than 90 billion rubles.

The company's shares closed down 1.2 percent at 1.065 rubles, underperforming the benchmark MICEX Index, which rose 0.6 percent.

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