

Nord Gold Seeks \$1.5Bln From London IPO

By [The Moscow Times](#)

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Severstal's Nord Gold unit is seeking up to £933 million (\$1.5 billion) from a London float, pushing the total for Russian IPO hopefuls past \$3 billion for 2011.

The company said Thursday that it needs cash to pay off debt to owner Severstal as well as to fund exploration.

Nord Gold is the fourth Russian company to announce a London initial public offering pricing this month.

Analysts say a sharp rise in Russian shares, as well as high oil prices, have helped swell demand for newly listed Russian companies, while some have predicted \$30 billion could be raised by Russian private issuers this year.

Gold companies are also in vogue as the precious metal, seen as a safe haven by investors

during uncertain economic times, hovers just below historic highs following a record advance late last year.

HMS Hydraulic, Koks and ChelPipe have also unveiled IPO price ranges this week, between them hoping for an estimated \$1.86 billion. A successful Nord Gold float would bring the total to \$3.3 billion, compared with \$5.5 billion for the whole of last year.

Nord Gold said it hoped to raise a little over half the proceeds from new shares and the rest from the sale of existing stock owned by Severstal.

The company produced about 589,000 ounces from its mines in Russia, Kazakhstan and West Africa last year.

Nord Gold said Morgan Stanley, Credit Suisse and Troika Dialog are participating jointly in the offering.

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