

RusAl Plans Sale of \$1Bln Worth of Ruble Bonds

By [The Moscow Times](#)

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United Company RusAl is returning to the ruble debt market for the first time since 2005 as yields drop to record lows.

The world's biggest aluminum producer approved the sale of 30 billion rubles (\$1 billion) of bonds this week as the company seeks to refinance \$5 billion this year.

"Ruble-denominated bonds are more attractive for refinancing our debt because they are cheaper than bank loans," RusAl spokeswoman Vera Kurochkina said Tuesday. "This would help us diversify our credit portfolio and find cheaper ways to finance investment."

Russian companies have sold 61.5 billion rubles of local bonds so far this year, a 78 percent increase from the same period in 2010 and the busiest ever start to a year for ruble debt sales.

RusAl, which doesn't have a credit rating and has not sold debt since September 2005, also

plans to sell debut bonds in China.

RusAl completed Russia's biggest corporate debt restructuring in December 2009, extending the maturity on borrowings to more than seven years.

The company is accepting bids for the first 15 billion ruble bond installment through March 1 and expects its coupon to be between 9 percent and 9.5 percent, RusAl said in a regulatory filing on the Hong Kong Stock Exchange today. The notes, which will have a put option after no less than three years, will be placed on MICEX on or around March 3, according to the statement.

The ruble is the best-performing emerging-market currency against the dollar this year, rising 7 percent. It was little changed at 29.28 Wednesday. Non-deliverable forwards, which provide a guide to expectations of currency movements, show the ruble at 29.50 per dollar in three months.

RusAl refinanced its biggest chunk of debt, \$4.5 billion owed to Vneshekonombank, by obtaining loans due in December 2013 from Sberbank last year, with an option to extend the term a further year and a half. In addition, RusAl became the first Russian company to sell shares in Hong Kong, raising \$2.2 billion in January 2010.

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