

Baturina Sells Krasnodar Region Cement Works

By [The Moscow Times](#)

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Yelena Baturina, wife of ousted Moscow Mayor Yuri Luzhkov, is continuing to sell off assets.

Two Krasnodar region cement plants could go to businessman Lev Kvetny for about \$200 million, sources close to both sides of the talks told Vedomosti.

Baturina's Inteko owns the Atakaitsement and Verkhnebakansky plants, with a capacity of 300,000 tons per year. Modernization of the Verkhnebakansky plant, with equipment being installed by the Danish firm FL Smidth, should be completed this fall, after which the plant's capacity will reach 2.3 million tons per year.

Baturina attempted to sell the cement assets three years ago. Yefim Starikov, general director of Kvetny's Gazmetallproyekt, said his firm was interested in the plants because they are within the immediate proximity of Novorostsement.

Novorostsement is the country's third-largest cement producer after Eurocement Group and Sibirsky Tsement. It owns three plants in the Krasnodar region — Proletary, Oktyabry and Pervomaisky — with a combined capacity of 5 million tons per year.

Baturina's Krasnodar plants could hardly be of use to anyone but Kvetny, said Vladimir Guz, managing partner of SMPPro. According to Guz, there are five cement-making enterprises in the Krasnodar region, currently producing 4.6 million tons. By 2012, this output will increase by 3.6 million tons, which is too much, even considering Olympic construction work. Excess capacity will be about 45 percent. "We are expecting consolidation of plants in the hands of one owner, otherwise the recoupment time on investments in re-equipping will greatly increase," Guz said.

A source close to Novorostsement said Kvetny will eventually close one of the outdated plants and sell the land to the Novorossiisk Commercial Sea Port. "There hasn't been such an offer yet, but if there is one, we'll consider it," a port spokesperson said.

There is also talk about selling Inteko itself. Coalco owner Vasily Anisimov has expressed interest in it, and Baturina has also named VTB as a contender, although the bank has not confirmed this.

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