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VimpelCom Raises $2.2Bln Via Eurobond

By The Moscow Times

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VimpelCom Ltd. raised $2.2 billion via a eurobond issue, managing to cut the premium for one of the three tranches and staying almost unaffected by market jitters over Greece's debt woes.

The country's No. 3 mobile operator raised $500 million with a 6.25 percent yield due in March 2017, as expected, but cut the premium to 7.5 percent for a $1.5 billion issue maturing in March 2022 from 7.625 percent guidance.

It also raised $200 million with an annual interest rate of three-month U.S. dollar LIBOR plus 400 basis points maturing in June 2014, the company said Thursday.

"VimpelCom papers are highly demanded. This sector is less dependant on market shocks as people will always use phones," said Vadim Khanov, a trader with Gazprombank.

"The demand for long paper was better, helping the company to cut guidance. It managed to place the eurobond almost without premium to the secondary market," said Alexander Dotkin, a trader with Zenit.

According to the prospectus issued for the eurobond, VimpelCom Ltd. is planning its 2011 capex at 21 percent of sales revenue.

The company hopes to see its main expenditures for the rest of this year go to developing 2G and 3G networks, as well as its transport network.

Capital expenditures for the first quarter of 2011 came to 16.6 percent of sales revenue, equaling $456 million.

(Reuters, Interfax)

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