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VEB Mulls Big Stake in Raspadskaya

By The Moscow Times

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The potential sale of Raspadskaya to Vneshekonombank, reported Tuesday by Interfax, shows that the coal producer's shareholders enjoy "significant political leverage," according to Troika Dialog.

VEB, chaired by Prime Minister Vladimir Putin, may buy a combined 80 percent stake in Raspadskaya from company management and Roman Abramovich's Evraz Group for as much as $5.3 billion, a more than 30 percent premium to the market price, Interfax said, citing people with knowledge of the plan. The bank previously helped fund Evraz in 2008, lending the steelmaker $1.8 billion during the financial crisis.

"Surprisingly, VEB also stands ready to provide financial support to Evraz Group in good times," Troika analyst Sergei Donskoi said Wednesday in a note. "The principal shareholders of the company still enjoy significant political leverage."

A week ago, the Raspadskaya board of directors moved in favor of paying out generous dividends for the first half that represent virtually all of net profits, which analysts say is

evidence that the main shareholders' stakes are soon to be sold.

Raspadskaya stock traded at 172.30 rubles on the MICEX stock exchange at 5:26 p.m. Moscow time Tuesday but shot up to 189.02 rubles by 5:43 p.m., 8.9 percent above the previous day's closing price, on news of the possible sale of the company.

"The prospects for Raspadskaya minority shareholders remain murky, as VEB, to all appearances, will not be offering to buy up their shares at $8.50 each," UralSib Capital analyst Dmitry Smolin told Interfax on Tuesday.

(Bloomberg, Interfax)

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