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Polymetal Seeks London Listing This Year

By The Moscow Times

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Polymetal, the country's largest silver producer, picked Deutsche Bank, Morgan Stanley and HSBC Holdings to arrange a primary listing in Britain, according to three people familiar with the matter.

The company intends to list by the end of the year, the people said, asking not to be identified because the information is not public. Polymetal vice president Pavel Danilin declined to comment.

Polymetal may follow Polyus Gold International to become the second Russian gold producer to switch its primary listing from Moscow to London, seeking entry into Britain's benchmark FTSE 100 Index and an expanded investor base. The plan may not result in the company selling shares, said Dmitry Smolin, an analyst at Uralsib Capital in Moscow.

"Market conditions aren't good for a share sale, and the company's free float is higher than

the 25 percent it needs to qualify for inclusion in the FTSE 100 Index," Smolin said.

Polymetal is considering various options, including changing its domicile from Russia to Britain to gain a primary listing in London and broaden its investor base, Danilin said in September. Polymetal sold Global Depositary Receipts in London in 2007, raising $604.5 million, according to data compiled by Bloomberg. The London-listed GDRs have gained about 10 percent this year.

Polyus Gold International, formerly named KazakhGold Group, last month completed the purchase of 89 percent of Polyus Gold to inject its Russian operations into the Britain-listed company.

Steelmaker Evraz said Aug. 3 that it is also weighing a switch to a main listing in London. "A primary listing is one option we're considering," Oleg Kuzmin, a spokesman for Evraz, said at the time.

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