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Raspadskaya To Buy Back 10% Share

By The Moscow Times

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Raspadskaya, based in the Kemerovo region, will purchase as many as 78.1 million shares, or 10 percent of its stock, at 150 rubles ($4.86) apiece, or about $380 million total, the coal producer said Wednesday in an e-mailed statement.

Russian companies have said they may buy back more than $8 billion of stock as the benchmark MICEX Index fell 18 percent in July through September, the biggest quarterly decline since 2008.

"A buyback with such a large premium shows that the management is confident in the future," George Buzhenitsa, a Deutsche Bank analyst, said by phone. Raspadskaya has about $400 million of cash on its balance sheet and can afford the buyback, he said. Billionaire Roman Abramovich is an indirect shareholder of Raspadskaya.

Raspadskaya has plunged more than 50 percent this year. The buyback will be carried out on a pro rata basis, spokesman Alexander Andreyev said by phone. The coal producer plans to pay for the stock within two months after the offer closes, according to the statement. There will

be no record date for investors that want to sell stock, he said.

"We expect a very low buyback ratio of 10 percent to 12 percent as Corber Enterprises, which owns an 80 percent stake, will tender its entire holding," Dmitry Smolin, a UralSib Capital analyst, said in an e-mailed note.

Raspadskaya closed up 10.21 percent in Moscow at 100.84 rubles Wednesday.

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