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Polymetal to Spend Up to $1.1Bln in Buyout

By The Moscow Times

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Polymetal International, the London-listed owner of Russia's biggest silver producer, might spend as much 35.4 billion rubles ($1.1 billion) in a mandatory buyout offer to minority shareholders of the Moscow-traded unit.

The metals miner is offering 531.15 rubles a share for the stock in Russia's Polymetal that it doesn't already own, the company said Wednesday in a statement. The board must approve the offer by Dec. 8, before sending it to shareholders, according to a separate filing.

Polymetal International, registered in Jersey, was set up by OAO Polymetal this year to give it access to a primary London listing. The £490.8 million ($766 million) proceeds of an initial public offering in October will go toward buying out the minority shareholders as part of a reverse takeover to expand the group's access to international investors.

The buyout offer, which will close Feb. 1, became mandatory after Polymetal International

acquired about 83 percent of the Russian unit through share swaps as it pursued the primary London listing. It sold 13.8 percent of the company in the IPO.

Polymetal International closed up/down x percent to xxx pence at the close of London trading. OAO Polymetal rose/dropped x.x percent to close at xxx.xx rubles in Moscow on Wednesday.

Polymetal International hasn't said where the remainder of the funds for the buyout will come from. Andrei Abashin, a spokesman for the company, declined to comment on the matter Wednesday.

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