

Rostelecom Buyback Doubts

By [The Moscow Times](#)

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NEW YORK — Rostelecom's move to buy back 3.86 percent of the company's own stock will only benefit the selling shareholder and not other minority investors, according to UBS.

Rostelecom took an 8.3 billion ruble (\$273 million) loan from VTB Group to fund the buyback, the company said in a regulatory filing. Rostelecom plans to buy the shares from Suleiman Kerimov, Kommersant reported on Jan. 18.

"The buyback benefits the selling shareholder but none of the other minorities," UBS analysts led by Alex Wright in London wrote in a research report this week. "We believe a better method would have been to make a tender offer to all shareholders at a premium. Better still, in our view, would be to increase the dividend payout ratio rather than buy back shares at a premium."

(Bloomberg)

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