

# Evraz to Pay \$228M Dividend

By [The Moscow Times](#)

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Evraz, the country's largest steelmaker by output, agreed to pay a \$228 million dividend even after earnings missed analyst estimates.

"We are today announcing a final dividend for 2011 of \$228 million, or \$0.17 per share," the company said in a regulatory statement. Including an interim payout in October, "this gives a total ordinary dividend for 2011 of \$317 million," or 50 percent of adjusted net income, it said.

Evraz resumed dividends last year after cutting net debt to less than three times its earnings before interest, tax, depreciation and amortization. The company agreed to pay out at least 25 percent of profit as part of efforts to move its primary listing to London. It became the only steelmaker included in Britain's FTSE 100 Index in December.

Net income dropped to \$461 million last year from \$486 million in 2010, according to Wednesday's statement. That fell short of the \$910 million median estimate of 11 analysts surveyed by Bloomberg. Sales advanced 22 percent to \$16.4 billion.

The company attributed the decline in earnings to one-time items including a \$161 million incentive to redeem 2014 convertible bonds, as well as the \$19 million cost to secure its primary London listing. Evraz cut net debt by 10 percent from a year earlier to \$6.44 billion.

The company is operating its steel mills at full capacity and expects a "slight" increase in volumes of finished products this year, it said in the statement.

Evraz is also expanding in mining to boost self-sufficiency in raw materials. Iron-ore and coal mining accounted for more than half of its adjusted EBITDA of \$2.9 billion last year.

The company plans to mine 1 million metric tons to 1.5 million tons of coal a year in Russia's Tyva republic by the end of 2013, chief executive Alexander Frolov said Wednesday on a conference call. It will ship the coal by truck until a railroad is built, he said. The Tyva project, together with Evraz's Yerunakovskaya VIII venture, will allow the company to reach self-sufficiency in coal, Frolov said.

The company is also completing the acquisition of the Timir iron-ore project from Alrosa, Frolov said. It may invest about \$1.5 billion over the next five years to develop the first mine at Timir, he said.

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