

Evraz Values Raspadskaya Stake 40% Below Market

By [The Moscow Times](#)

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Evraz, the Russian steelmaker included in London's benchmark FTSE-100 Index, said its investment in coal miner Raspadskaya is worth \$621 million, about 40 percent below the market valuation for the stake.

Evraz calculated the book value of its Raspadskaya holding by subtracting the miner's liabilities from reserves, property, plant and equipment and other assets, a prospectus for the steelmaker's dollar-bond sale shows. Current share prices value Evraz's 40 percent stake in Raspadskaya at \$1.1 billion.

Evraz, part-owned by Roman Abramovich, and Raspadskaya management tried to sell their combined 80 percent stake in the coal producer for as much as \$5.3 billion last year, according to Interfax. That would have valued Evraz's holding in Raspadskaya at \$2.65 billion.

Separately, Evrazruda, the company's iron-ore unit in Siberia, may face a deficit of 16.2

million tons of iron ore to fulfill management's 20-year production plan, the prospectus shows.

The shortfall is due to the "exclusion of reserves for Isigsky and second stage of Burluk Vostochny deposits caused by a temporary absence of the project in respect of these deposits," according to the document.

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