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Severstal Buyback Strong

By The Moscow Times

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Severstal said Monday that it had seen strong demand for its plan to buy back 170 million shares following a mining asset spin-off.

The company announced the buyback at 390 rubles ($11.80) per share earlier this year to cancel stock following the separation of its Nord Gold mining asset.

Severstal said Monday that it had received applications to take part in the buyback equivalent to over 800 million shares. As a result, it said it would purchase stock in a ratio of 0.196 for every share offered as part of the scheme. The buyback, worth about $2 billion, is taking place because Severstal's Lybica Holding obtained 193 million Severstal treasury shares as part of the Nord Gold spin-off, and the steelmaker wants to cancel 170 million of those shares.

(Reuters)

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