

Surgut Discloses \$29Bln Cash Hoard

By [The Moscow Times](#)

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Surgutneftegas, the country's third-biggest oil firm, revealed a \$29 billion cash pile, as it reported annual results to international financial reporting standards for the first time in more than 10 years.

But the company, still headed by Soviet-era director Vladimir Bogdanov, left analysts at a loss over its ownership structure after disclosing that it held just 650,000 shares in treasury.

That is down from 17.6 billion treasury shares, or a 40 percent stake worth \$15 billion, disclosed in Surgut's last results to an internationally recognised reporting standard in 2001.

"We are waiting for the company to tell us where these shares have gone," said Alexander Kornilov at Alfa Bank. Surgut was required to publish IFRS results under a new law.

Management was long believed by analysts to have controlled around 90 percent of Surgut through an evolving structure of affiliates — including the in-house pension fund — but has never fully disclosed the company's ownership.

The company's balance sheet revealed that it held 549 billion rubles in liquid assets. That is an exceptionally high figure for the oil industry — a cash-generative business that typically relies on debt to maximize balance-sheet efficiency.

Of its 898 billion rubles in short- and long-term deposits, the lion's share was held at state-controlled Sberbank, with further tranches at the Russian unit of Unicredit, Gazprombank and VTB.

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