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Polymetal Sticks With London Listing

By The Moscow Times

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Russian precious metals miner Polymetal will keep its London listing and has no plans to change its corporate structure, despite government calls for foreign-listed firms to come home, it said Tuesday.

President Vladimir Putin has been pushing for the so-called "de-offshorization" of the Russian economy, whereby companies with offshore entities re-register them in Russia and pay taxes in Russia.

In early April, First Deputy Prime Minister Igor Shuvalov urged companies listed on foreign stock exchanges to consider re-listing in Moscow to protect themselves from sanctions imposed by the West over Russia's annexation of Crimea.

"The company does not expect any material impact from the 'de-offshorization' proposals on its operations," Jersey-registered Polymetal, which has assets in Russia and Kazakhstan,

said in a statement.

As all the operating entities of Polymetal are domiciled in Russia and Kazakhstan, the company generates all of its revenues and profits and pays all related taxes in these countries, it added.

Its rival Polyus Gold, Russia's biggest gold miner, has said it is considering state proposals to encourage the rebasing of Russian firms currently owned by offshore entities.

Polymetal's revenue fell 2 percent to $336 million in the first quarter of 2014, year-on-year, due to lower metals prices, the company added in the statement.

Its gold equivalent production reached 316,000 troy ounces for the period, up 34 percent, the company, part-owned by Russian tycoon Alexander Nesis added. Fellow Russian businessman Alexander Mamut and Czech investment group PPF own minority stakes in Polymetal.

Sales lagged production by 46,000 ounces of gold equivalent due to a seasonal factor, with reversal of this gap expected to be achieved during the year, the company said.

It produced 709 tons of copper in concentrate in the first quarter and decided to stockpile it due to unfavorable market conditions, Polymetal chief executive Vitaly Nesis, brother of Alexander Nesis, said. The company plans to sell it later in the year, he told Reuters.

Polymetal also said it was on track to produce 1.3 million ounces of gold equivalent in 2014. Gold equivalent is a measure of gold and other metals expressed in units of gold.

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