

# Finance Ministry, Nordgold, Mechel: Business in Brief

By [The Moscow Times](#)

April 23, 2014

**The  Moscow Times**

## Finance Ministry Cancels \$560M Bond Auction

Russia's Finance Ministry said on Wednesday it had cancelled its weekly treasury bond auction as the bids received did not adequately reflect the value of the securities.

The ministry had planned to sell up to 20 billion rubles (\$560 million) worth of 11-year and six-year bonds.

But the auction was called off "due to a lack of bids at price levels that would adequately reflect the credit quality of the bonds," the ministry said in a statement.

The auction has been cancelled for the third week in a row. (*Reuters*)

## **Nordgold Raises Gold Output by 15% in Q1**

Nordgold, Russia's third-largest gold producer, increased output by 15 percent in the first quarter of 2013 from the same period a year ago to 211,100 ounces, PRIME reported Wednesday, quoting a company statement.

The company controlled by billionaire Alexei Mordashov also increased sales by 15 percent to 211,500 ounces, while average gold sale price declined by 20 percent to \$1,299 per ounce, thus cutting the miner's revenues by 7 percent to \$274.8 million.

Nordgold, which operates nine mines in Russia, Kazakhstan, Burkina Faso and Guinea, aims to produce 870,000 to 920,000 ounces compared to 924,000 ounces in 2013. *(MT)*

## **Highland Gold to Pay Abramovich \$8.3M in Dividends**

Billionaire Roman Abramovich, a major shareholder in Russian miner Highland Gold Mining may receive \$8.3 million in dividends for 2013, Itar-Tass reported on Wednesday.

The board of the company has recommended a dividend of \$26 million. Millhouse, Abramovich's investment vehicle, holds a 32 percent stake in Highland.

The dividend fell by 36 percent from last year as the company posted a 57 percent decline in net profit to \$54.7 million due to low gold prices.

Revenues declined by 13.5 percent to \$304.2 million, earnings before interest, tax, depreciation and amortization, or EBITDA, by 26 percent to \$132.7 million.

Highland plans to increase gold output to between 300,000 and 320,000 ounces this year from 233,700 ounces in 2014. *(MT)*

## **Mechel and JSC TransContainer Sign Agreement**

Mechel, one of the leading Russian mining and metals companies, has signed an agreement on creating a pool system for transporting cargo with the Russia's leading intermodal container operator, JSC TransContainer, Mechel said in a statement, Reuters reported.

The agreement was signed on the sidelines of the 19th Moscow International Transport & Logistics Exhibition and Conference "TransRussia." According to the document, TransContainer will handle multimodal transportation of Mechel's cargo of various types in containers. The annual turnover of cargo will amount to more than 5,000 twenty-foot container units.

Currently TransContainer ensures monthly transportation of some 400 to 450 twenty-foot containers with Mechel's industrial facilities' cargo to the company's partners in Russia and abroad. *(MT)*

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