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Bashneft Mulls $1Bln to $2Bln London IPO in September

By The Moscow Times

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Privately-owned Russia oil company Bashneft may seek to raise $1 billion to $2 billion with an IPO on the London Stock Exchange in September, provided that market conditions are favorable, the company's CEO, Alexander Corsica, said.

No final decision to float shares has been made, Vedomosti quoted Corsica as saying at a company event for investors in London. But in organizational terms, "we will be ready by September," he said.

Ahead of Bashneft's annual shareholder meeting on June 10, the board has recommended paying dividends of 36.48 billion rubles ($1.08 billion) on the company's 2013 net profit — which, added to the 45 billion rubles ($1.3 billion) of dividends already distributed over the first three quarters of 2013, would bring Bashneft's annual payout to a record $2.4 billion. Corsica said he expects Bashneft's output to rise over the next five to 10 years, allowing the company to continue paying such dividends. In its IFRS financial statements, Bashneft

reported revenue of 563 billion rubles ($16.25 billion) last year, up 6 percent from 2012.

In May, Bashneft reorganized its ownership structure to remove cross-ownership with its principle shareholder, Russian oil-to-telecoms conglomerate Sistema, Vedomosti reported. Sistema now controls 84.4 percent of Bashneft.

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