

Russia's Sistema to Get \$1 Billion in Damages From Bashneft Case

By [The Moscow Times](#)

February 16, 2015

The  Moscow Times

A court has awarded Russia's Sistema industrial conglomerate damages of 70.7 billion rubles (\$1.1 billion) for losses related to the seizure of the Bashneft oil company, the RIA Novosti news agency reported on Monday.

The Moscow Arbitration Court ruled that a firm called Ural Invest, which sold a stake of over 70 percent in Bashneft to Sistema in 2009, should pay the damages. Sistema paid \$2.5 billion for control of Bashneft.

Shares in Sistema jumped by 6.26 percent following the ruling. However, they are down almost 60 percent since a peak reached last July.

Last year, the conglomerate had to transfer its stake in Bashneft to the state to comply with a court ruling that said the privatization of Bashneft in the early 2000s was unlawful.

A lawyer for Ural Invest said that the firm would launch an appeal, RIA reported. A Sistema spokesman declined to comment before an official company statement, which is expected later on Monday.

Sistema's chairman Vladimir Yevtushenkov was put under house arrest for alleged money laundering in the deal that saw his conglomerate take control of Bashneft in 2009, a blow to Russia's investment climate. Yevtushenkov, one of Russia's richest men, was freed in December.

Bashneft, Russia's sixth largest crude oil producer, extracted 17.8 million tons of crude oil last year, increasing output by more than 13 percent, the best results among domestic majors after launching production at new deposits in the Arctic.

Its oil refining capacity stands at over 24 million tons a year.

Original url:

<https://www.themoscowtimes.com/2015/02/16/russias-sistema-to-get-1-billion-in-damages-from-bashneft-case-a43940>