

EBRD to lend Russia's Inter RAO UES RUB9.6bn

1 August 2012

The EBRD has committed to lend Russia's Inter RAO UES 9.6 billion roubles (equivalent to around EUR 240 mln) through a five-year convertible loan to help prepare this major state-controlled holding in the Russian power sector for a potential international public offering.

The EBRD and Inter RAO have agreed to work together on reviewing and improving the company's corporate governance architecture with a view to facilitating a full listing on a reputable international exchange in the right market conditions.

Inter RAO shares are at present only listed on Moscow's MICEX-RTS exchange.

"This is another major step in the EBRD's strategy to support the privatisation of state-owned companies in Russia, particularly in electricity generation, and builds on the Bank's previous projects in support of the reform of the Russian power sector," said Riccardo Puliti, the EBRD's Managing Director for Energy and Natural Resources.

"We highly value this deal which not only makes the EBRD a potential investor in Inter RAO shares, but also secures its support as a long-term partner in optimising our corporate governance and increasing business transparency," said Inter RAO's Chairman of the Management Board, Boris Kovalchuk. "This strategic partnership with the EBRD is especially important for how Inter RAO positions itself in relation to the financial and investor communities as we consider approaching international capital markets," he added.

A list of specific corporate governance, operational and strategic commitments has been agreed between the EBRD and the company as part of the project. Their aim is to increase the company's transparency and accountability to shareholders, thus creating additional value and making it more attractive to potential investors.

Inter RAO will implement these changes as part of a Corporate Development Action Plan agreed with the EBRD. In addition, Inter RAO is committing to an Environmental and Social Action Plan focusing on measures to improve environmental and social performance standards, policies, procedures and practices.

This loan brings total EBRD investments in the Russian power sector since the reform process was launched in 2001 to over EUR 1.6 billion.

Russia's Inter RAO UES to borrow 9.6 bln rbl from EBRD

31 July 2012

MOSCOW, Jul 31 (PRIME) -- Russian electric power holding Inter RAO UES on Tuesday signed an agreement to take out a 9.6 billion ruble 5-year convertible loan from the European Bank for Reconstruction and Development (EBRD), RIA Novosti reported.

Under the agreement, the EBRD can convert the loan into common shares of Inter RAO UES within four and a half years at 0.055 rubles per share. The bank can get a 1.8% stake in Inter RAO UES if it exercises this option, Inter RAO UES CEO Boris Kovalchuk said.

The loan is provided at a floating interest rate, which currently amounts to 8.81% annually.

"This is another major step in the EBRD's strategy to support the privatisation of state-owned companies in Russia, particularly in electricity generation, and builds on the bank's previous projects in support of the reform of the Russian power sector," the EBRD said in a press release citing Riccardo Puliti, its managing director for energy and natural resources.



Russia's InterRAO gets 9.6 bln rouble loan from EBRD

31 July 2012

MOSCOW, July 31 (Reuters) - The European Bank for Reconstruction and Development (EBRD) will grant a 9.6 billion rouble (\$298.23 million) loan to Russia's state electricity holding firm InterRAO and may later convert it into the company's shares, InterRAO said on Tuesday.

The deal comes as InterRAO, in which several state-controlled entities own nearly 60 percent, is preparing to sell a 2-3 percent of its own stock to a strategic investor ahead of a potential secondary share placement by 2013.

The EBRD may convert the loan into InterRAO shares at 5.5 kopecks per share within four and a half years starting from the date the loan is provided. InterRAO shares traded at 2.6 kopecks on Tuesday, meaning the value of the whole company stands at \$8.2 billion.

Boris Kovalchuk, chief executive with InterRAO, told journalists that the EBRD may get around 1-1.8 percent stake in the company.

The EBRD, set up in 1991 to manage the transition of former communist countries to market economies, invests in a wide range of businesses. Depending on the business, the EBRD may later sell holdings at a premium. (\$1 = 32.1900 Russian roubles)

Bloomberg

Inter RAO Gets \$300 Million Loan From EBRD Convertible to Shares

31 July 2012

July 31 (Bloomberg) -- The European Bank of Reconstruction and Development agreed to lend 9.6 billion rubles (\$300 million) to OAO Inter RAO UES as the Russian state-controlled power utility prepares for a possible international share sale.

The five-year loan is convertible to equity, the lender said today in an e-mailed statement. The credit is convertible at 5.5 kopeks a share, 4 1/2 years after being granted, and has a floating interest rate, equivalent to 8.81 percent on the day of the signing, Inter RAO said on its website. Inter RAO fell 2.6 percent to 2.64 kopeks by 4:22 p.m.

The EBRD and Inter RAO agreed to work on improving the power generator and exporter's corporate governance "with a view to facilitating a full listing on a reputable international exchange in the right market conditions," the lender said.

The bank's shareholding in Inter RAO would equal 1 percent to 1.8 percent of its share capital if the call option is used, the Interfax news service reported.