
Mechel OAO placed stock bonds of BO 01 series

Wednesday, 18 Nov, 2009

Mechel OAO one of the leading Russian mining and metals companies announces about placing its stock bonds.

On November 13th 2009 Mechel OAO completed initial placement of its stock secured non convertible interest-bearing documentary bonds of BO-01 series with an obligatory centralized care of securities at MICEX Stock Exchange ZAO by providing 1st rate coupon competition.

The number of the placed bonds makes 5,000,000 pieces the nominal value of the bonds is RUB 1000 each and the total nominal value of the placed bonds is RUB 5,000,000,000.

According to the results of the competition the 1st coupon rate of the stock bonds of BO-01 series was 12.5% per year which corresponds to a sum of RUB 62.33. According to the Prospectus of the stock bonds of B0-01 series and Resolution on the stock bonds issue of B0-01 series, the coupon rate from the 2nd to the 4th coupon is equal to the 1st coupon rate.

Svyaz Bank AB OAO and Uglemetbank OAO were managers of the placement.

Mr Stanislav Aleksandrovich Ploshchenko CFO of Mechel said “Unlike the ordinary bonds whose last issue was placed at the end of October, 2009 to provide financing for Elga coal deposit development, this stock bonds were issued only in order to optimize Mechel Group’s debt portfolio. Following successful placing of the previous bonds series, Mechel together with its bonds placement managers made good use of the market interest to Mechel OAO borrowings in the open market. This will allow us to repay more expensive bank loans, raised at the end of the last year and the beginning of the current year.”

For more news visit at www.steelguru.com