
Russia SMR ferromolybdenum firm restructures debt

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Reuters reported that Russian ferromolybdenum producer Soyuz Metal Resurs, owned by tycoon Mr Oleg Deripaska, reached an agreement with foreign and domestic banks to restructure and extend the maturity of its USD 122 million debt burden.

The producer of the steel hardening alloy said that it had signed a new agreement with BNP Paribas, ING, Raiffesen, Royal Bank of Scotland and Alfa Bank for the loan to be repaid in 4 years with a grace period of 15 months.

It said that the successful refinancing of the loan will allow the company to concentrate on further increasing the efficiency of our assets, to continue the dynamic development and raise our share on the world ferromolybdenum market.

Soyuz Metal Resurs which operates 2 ferromolybdenum plants, Sorsk and Zhireken in Siberia said that it produced 4,891 tonnes of the alloy in the first 9 months of 2009 up 15.2% YoY.

BasicElement, Mr Deripaska's investment vehicle said that in October it was looking to restructure the cumulative debt of companies in which it owned stakes, then estimated to be in excess of USD 20 billion.

(Sourced from Reuters)

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