
Interros sells 30.4% stake in Power Machines

Tuesday, 25 Sep, 2007

Interros announced that it has closed a deal to sell a 30.4% stake in heavy machinery manufacturer Power Machines to Cyprus based Highstat Limited, which is controlled by Mr Alexei Mordashov CEO of Severstal. It did not specify the size of the deal by only saying it was based on the current Power Machines share price. However as per market sources the deal is estimated at USD 470 million to USD 515 million.

Last week Siemens, which holds a 25% stake in Power Machines, relinquished its pre-emptive right to buy Interros' stake after the Federal Anti Monopoly Service ruled out a sale to the German firm. A 2005 bid by Siemens was rejected on national security grounds, as Power Machines provides turbines to the defense industry. However in late August, the Anti Monopoly Service allowed Highstat Ltd to buy up to 100% in Power Machines.

UES holds a 25% stake in Power Machines and is expected to hold an auction for the stake later this year.

Power Machines accounts for 37% of Russia's turbines, turbo generators, hydro generators and electrical equipment market. Power Machines provides engineering services, and produces, assembles, services and modernizes equipment for hydro, thermal, gas and nuclear power plants and the transportation industry. It has clients in 87 countries.

For more news visit at www.steelguru.com