



THE PBN COMPANY

**For Immediate Release:  
July 13, 2010**

**For more information:**  
Anna Yarmarkova  
The PBN Company  
Tel: +7 495 775 0077  
Mob: +7 926 204 76 57  
anna.yarmarkova@pbnco.com

## RUSSIA-CIS IPOs: “LOTS OF SMOKE BUT VERY LITTLE FIRE” 79 REPORTS OF PLANNED IPOs BUT ONLY 7 FLOATS IN H1 2010

**July 13, 2010, Moscow:** Seventy nine companies in Russia, Ukraine and Kazakhstan have declared plans to issue IPOs during the first six months of 2010, but only seven have actually completed listings, according to quarterly research issued today by The PBN Company.

“There’s a whole lot of smoke but very little fire when it comes to IPOs from this part of the world,” said Peter Necarsulmer, Chairman and CEO of The PBN Company, financial communications advisers. “The number of companies planning IPOs continues to inflate, while actual floatations remain few and far between.”

The seven IPOs in H1 2010 were valued at more than \$3 billion, with RUSAL’s \$2.24 billion Hong Kong float representing almost three-quarters of total capital raised. Other completed transactions so far this year include: Agro-Generation (\$14.4 million), Russian Sea (\$90 million), Protek (\$400 million), Avangard (\$200 million), Kuzbass Fuel Company (\$163 million) and DIOD (\$9.2 million).

Industry	Country of Origin		
	Russia	Ukraine	Kazakhstan
Metals and Mining	11	2	2
Agriculture	1	4	-
Financial	5	2	2
Media and Telecommunications	4	3	1
Construction and Real Estate	2	2	-
FMCG	1	3	-
Technology and Innovation	3	-	-
Transport	6	1	1
Aviation	4	-	-
Chemicals	2	1	-
Oil and Gas	1	1	1
Manufacturing	2	1	-
Petrochemicals	2	-	-
Retail	3	-	-
Energy	2	-	-
Iron-ore subsidiary	1	-	-
Power	1	-	-
State Corporations	1	-	-
<b>TOTAL</b>	<b>52</b>	<b>20</b>	<b>7</b>

Source: PBN IPO Tracker for Russia - CIS  
Date: January-June 2010

Two IPOs, Rusagro and Uralchem, were formally cancelled and many others have been delayed or put on hold indefinitely. “Market volatility and the eurozone debt crisis mean that the timing is not great for Russia - CIS IPOs. Many companies are sitting tight until the situation settles,” added Necarsulmer.

Despite market conditions and only a handful of flotations so far, “listing announcements, rumors and speculation are not in short supply,” said Necarsulmer. In the past three months, 62 companies have added their names to the list of Russian, Ukrainian, Kazakhstani and CIS companies planning to go public. At the beginning of 2010, only 17 companies had indicated they were planning IPOs.

“It is unclear, however, how many are real IPO candidates,” cautioned Necarsulmer. “Only a small percentage will actually go forward with their plans. Unfortunately, some companies may be using IPO rumors only to raise their profile and gain name recognition rather than having genuine intentions to go to market.”

### Extractive Industries Dominate

In the face of Russian government efforts to diversify the economy, the PBN IPO Tracker indicates that “traditional extractive industries continue to dominate both the Russian economy and the prospective IPO landscape.” Metals and mining, chemicals, oil and gas and other extractive companies lead the IPO pipeline; 18 Russian, 4 Ukrainian and 3 Kazakhstani in these industries are reported to be exploring IPOs.

Despite Russian President Dmitry Medvedev’s promises to privatize Russia’s eight state corporations, only one – Rosnano – has made some gestures indicating that it is considering an IPO. However, two private technology and innovation sector firms from Russia have plans to float, including Center for Economic Development and Nauka-Svyaz.

### Russian Firms Lead Ukraine and Kazakh Companies

Russian companies continue to lead in plans for IPOs. Two-thirds of the companies that are considering IPOs are from Russia, 20 are from Ukraine and 7 are from Kazakhstan.

Stock exchange destination	Country of origin		
	Russia	Ukraine	Kazakhstan
Moscow	9	-	-
Hong Kong	8	-	-
London	7	3	-
Warsaw	-	7	-
TBD	31	9	6
Other	1	6	1

Most companies, 46 in total, have yet to decide where they will list their shares. Of those that have plans to issue shares, London, Moscow and Hong Kong remain the most preferred destinations. Neighboring Poland is an attractive financial market for Ukrainian companies, with seven saying they will list their shares on the Warsaw Stock Exchange.

Source: PBN IPO Tracker for Russia - CIS

Date: January-June 2010

### About the PBN IPO Tracker for Russia - CIS (<http://www.pbnipotrack.com>)

The PBN IPO Tracker for Russia & CIS provides the financial community and media with up-to-date, accessible information on IPOs in Russia and the CIS. It is updated daily on the basis of reports from reliable Russian, Ukrainian, Kazakhstani and international news agencies and financial publications, including *Financial Times*, *Vedomosti*, Interfax, Reuters, Bloomberg, Dow Jones and other public sources.

**The PBN Company (<http://www.pbnco.com>)**

The PBN Company is the leading international financial communications, government relations and corporate communications agency focused on Russia, Ukraine, Kazakhstan and other CIS countries. The PBN Company managed communications for both Russian IPOs in 2009: Human Stem Cell Institute (MICEX) and Exillon Energy (LSE). PBN also worked on IPOs for Bank St Petersburg, Ferrexpo, M.Video, Raspadskaya and MMK. In addition, The PBN Company has extensive experience in financial communications across a range of international projects and transactions, including privatization, restructuring, mergers and acquisitions, hostile takeovers and shareholder conflicts. PBN is part of the WPP network, the world's largest communications group with offices in 106 countries.

**CONTACT DETAILS**

Moscow

Anna Yarmarkova

Tel: +7 495 775 0077

[anna.yarmarkova@pbnco.com](mailto:anna.yarmarkova@pbnco.com)

Kyiv

Myron Wasylyk

Tel: +380 44 270 7240

[myron.wasylyk@pbnco.com](mailto:myron.wasylyk@pbnco.com)

Washington

Amanda Lahan

Tel: +1 202 466 6210

[amanda.lahan@pbnco.com](mailto:amanda.lahan@pbnco.com)

Almaty

Bruce Wilson

Tel: +7 727 267 7334

[bruce.wilson@pbnco.com](mailto:bruce.wilson@pbnco.com)

###