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Moscow

Citibank Acted as Arranger for RUB 15 Billion Bond Issue for Gazprom Capital

Gazprom Capital's series 03 bond issue with a nominal value of RUB 15 billion was successfully concluded on November 10, 2011, backed by a guarantee from Gazprom.

This bond issue symbolically represents Gazprom's return to the Russian debt capital market following a two-year break (the last bond issues by Gazprom were the series 11 and 13 placed in June 2009).

The bid book was opened on November 7 with a coupon rate set within the range of 7.25-7.75% per annum.

Despite high volatility, substantial worsening of market conditions during the period in which the issue was marketed and competition from other issuers, Gazprom Capital generated a high level of interest among investors. At the close of the first day of marketing, it was decided to lower the coupon rate offer range to 7.00-7.50%. Total demand for the bond issue exceeded RUB 20 billion. Upon closure of the bid book, the coupon rate was set at 7.50%. The bond matures in three years with a one-year buy-back option.

The bond issue generated much interest among small and mid-sized Russian banks and asset management companies as well as banks with foreign capital.

Citibank and Renaissance Capital acted as the arrangers of the bond issue.

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