

RusHydro Starts Offering

By [The Moscow Times](#)

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Hydroelectric power company RusHydro started a share placement on Wednesday in which the state was expected to be the only significant buyer, effectively turning the capital-boosting exercise into a mini-nationalization.

RusHydro is offering 110 billion shares at 1 ruble apiece to fund projects in Russia's far east, meaning that if fully sold the offering would raise \$3.6 billion.

Analysts predicted much of the stock would go unsold, as investors are turned off by the new issue's overpricing in relation to the market and concerns over the profitability of the planned Capex projects it will fund.

The government will inject 50 billion rubles (\$1.6 billion) plus equity stakes in other power companies, which could up its stake to as much as 66 percent from the current 60.5 percent.

(Reuters)

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