

# Russian Public Companies Pursue Share Buybacks

April 9, 2020

In the current market environment, we are seeing Russian public companies opportunistically making buybacks in the public markets of their shares / depositary receipts (“DRs”). In the last fortnight, we advised:

- The dealer manager working with **PAO “TMK”**, one of the world’s leading producers of pipes for the oil & gas industry, in its programme to purchase up to 358,826,299 of its ordinary shares (34.73% of its shares) at a purchase price of RUB 61.00 per share. The shares are listed on the Moscow Exchange; holders of DRs listed on the London Stock Exchange may participate in the offer by breaking their DRs into shares and tendering the shares. The DRs will then be de-listed. The programme will be carried out by way of a voluntary tender offer under Russian law by a wholly-owned subsidiary of TMK;
- **MTS**, Russia’s leading mobile connectivity and digital services provider, in its plan for the repurchase of up to RUB 15,000,000,000 of its common stock and American depositary shares, carried out by the company’s wholly-owned subsidiary;

Along these lines, earlier this year Rosneft Oil Company approved changes to the terms of its buyback programme of shares and DRs aimed at bringing the terms of the programme (through simplifying procedures and lifting certain limitations) in line with the current market environment and announced the commencement of an open-market share and DR purchase.

Share repurchase may be structured in many different ways: as an open-market repurchase programme, one or several privately negotiated transactions or a tender offer, depending on many factors: (a) the ultimate goal of the buyback, (b) the number of shares / DRs that the issuer intends to acquire, (c) listing venue and need to comply with local Russian, EU, UK and/or US regulations, and (d) identity of the offeror.

If you have any questions concerning this memorandum, please reach out to your regular firm contact or the following authors

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For three decades Cleary Gottlieb has consistently and successfully advised clients on the largest headline Russian capital markets transactions, including many buy backs. For establishment of share repurchase programmes, we regularly advise issuers and offerors, financial advisors and special committees of the issuer's board of directors. If any of your clients considers repurchase of equity or debt instruments, we would be happy to brainstorm with you the best structure and details; please contact David Gottlieb, Yulia Solomakhina, Vladislav Miroshnichenko or Dina Iskanderova.

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