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## **CJSC ArmRusgasprom Bonds Trading At Armenian Exchange Exceeds \$736,000**

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ArmInfo. Trading of CJSC ArmRusgasprom bonds that were listed at Armenian Exchange (ArmEx) in September 2007 exceeded 221 million drams (about \$736,000), the company reports.

The source reports that CJSC ArmRosgaprom bonds were leaders for the last 4 months by the trade volume. This positive tendency was a result of dynamic growth of the financial and economic figures and high rating of the company.

The company is known to enter securities market for the first time in 2007 by placing 1 million drams nominal coupon bonds issued in June-July.

Investors took a great interest in the issue of bonds and now demand exceeds supply. Not only commercial banks but also other organizations and individuals acquired the company's bonds. It means that ArmRusgasprom's bonds are considered a reliable and high-liquidity financial instrument, specialists say.

In 2008 the company intends to remain actively engaged in the market of corporate bonds and issue bonds not only in Armenia but also in Russia. The company's policy allows attracting additional funds for implementation of various investment projects and boosting securities market of Armenia, which is not less important, the company's specialists say.

To recall, CJSC ArmRusgasprom completed the initial offer of its coupon bonds worth 1 billion drams consisting of 100,000 bonds worth 10,000 AMD each on July 4 2007. Maturity of bonds is 10 months. The annual interest rate is 9 percent. CJSC Cascade Investments is the underwriter which is represented in the secondary securities market as market-maker for ArmRusgasprom's securities. The company reports that both commercial banks and any institutional investors, other participants in the market, enterprises from different sectors of economy and individuals responded to the issue of bonds. The CJSC ArmRusgasprom Board of Directors approved the first issue bonds on May 20 2007. Recently, it has approved the second issue of bonds worth 5 billion drams. The company may start IPO in the domestic market and abroad in future.

CJSC ArmRusgasprom was founded in December 1997 and is an exclusive importer of natural gas to Armenia. Due to the additional issue of \$111.8 million bonds by the CJSC ArmRusgasprom, its authorized capital grew from the previous \$280 million to \$391.8 million. OJSC Gazprom increased its share in the authorized capital of CJSC ArmRusgasprom from the previous 45% to 57.59%. The share of the Armenian Government decreased from 45% to 34.7% and that of ITERA decreased from 10% to 7.71%. The company planned an additional issue of bonds for \$190 million in 2007. Relevant information will be made public after the company's financial report for 2007.

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