

Rating Action: Moody's places Sibur's Ba2 Corporate Family Rating on review

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London, 08 May 2008 -- Moody's Investors Service has today placed the Ba2 Corporate Family Rating of Sibur Holding OJSC ("Sibur") on review for possible downgrade following the recent announcement of the contemplated management buyout of 50% +1 share of the company by its main shareholder Gazprombank (ratings on review for upgrade) for approximately USD 2.3 billion (RUR 53.5 billion).

The Cyprus-based Hidron Holdings Limited ("Hidron"), which is owned by five of Sibur's top managers, announced on April 29 that it had reached a preliminary agreement with Gazprombank's representatives to acquire a controlling stake in the company. Hidron will also issue a put option in favour of Gazprombank for the purchase of the remaining 20% for approximately US\$920 million within three years of the date of the transaction. Significant part of the financing of the transaction, excluding the put option, will be provided by the seller.

Sibur's management has outlined the broad steps for the financing of the transaction; however, Moody's notes that some aspects remain under discussion, especially in terms of the impact the transaction may have on the company's financial policies as well as significant associated liquidity and refinancing risks. Moody's notes that Sibur was very strongly positioned within its rating category prior to the transaction.

In the coming months, Moody's will focus its ratings review on the impact of this transaction on Sibur's financial flexibility and strategies including:

- 1) The nature and tenor of the final funding arrangements being put in place;
- 2) The terms and conditions of Hidron's put option, and the scale of the potential participation of the strategic partner(s);
- 3) Management's strategy and the execution risk, if any, associated with redeeming the US\$1.23 billion in bridge loans being provided by Gazprombank;
- 4) The provisions with regard to Gazfond (a non-governmental pension fund) remaining a blocking minority in the company;
- 5) The medium-term refinancing strategy for the acquisition debt and any possible impact on Sibur; and
- 6) The scale and magnitude of the company's revised capital investment and M&A strategies.

Domiciled in St. Petersburg, Russian Federation OJSC Sibur Holding is the largest Russian vertically integrated petrochemical holding, producing hydrocarbon feedstock, fertilizers, Synthetic rubbers, polymers and tyres. Sibur's reported revenues in 2007 amounted to RUR143 billion, EBITDA RUR34 billion and net income RUR22.3 billion.

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