

Mechel OAO  
Form 6-K  
June 08, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

June 8, 2011

Commission File Number: 001-32328

**Mechel OAO**

(Translation of registrant's name into English)

RUSSIAN FEDERATION

(Jurisdiction of incorporation or organization)

Krasnoarmeyskaya 1,  
Moscow 125993  
Russian Federation

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:  Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:  Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): n/a



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MECHEL OAO CLOSED BOOKS ON PLACEMENT OF COMMERCIAL PAPERS OF THE 17 AND 18 SERIES AT A SUM OF 10 BILLION RUBLES

Moscow, Russia - June 8, 2011. - Mechel OAO (NYSE: MTL), one of the leading Russian mining and metals companies, announces successful closure of the books for the placements of its commercial papers of the 17 and 18 series.

On June 7, 2011 Mechel OAO closed the books for the two placements of its interest-bearing commercial papers of the 17 and 18 series with an obligatory centralized custody (ID serial number 4-17-55005-E of 10.08.2010 - 17 series, 4-18-55005-E of 10.08.2010 - 18 series). The papers' maturity is 10 years, with the put option in five years.

The number of the commercial papers to be placed makes 10,000,000 pieces (100% of the issue volume), the nominal value of the papers is 1,000 rubles each and the total nominal value of the placed bonds is 10,000,000,000 rubles (nearly 360 million US dollars\*).

The coupon rate of the commercial papers of the 17 and 18 series for the period until the put option date is 8.40% per year which corresponds to a sum of 41.88 rubles.

The demand for these commercial papers topped 22 billion rubles, with investors making over 80 bids into the book.

The papers of the 17 and 18 series will be placed on the MICEX Stock Exchange ZAO on June 9, 2011, with Coalmetbank OAO acting as the issuer's agent for the placement.

VTB Capital ZAO, Sberbank OAO and Coalmetbank OAO acted as a managers of the placement.

Commercial papers of 17 and 18 series are included in MICEX's quotation list A1.

"Good conditions on the Russian bond market allowed Mechel to successfully place papers with the five-year put option at the lower boundary of the price range with the book oversubscribed over 2 times. Considering the investors' interest and high liquidity we decided to increase the volume of commercial papers to be placed. We plan to make an additional placement of the 19 series with the total nominal value of 5 billion rubles with a five-year put option. The books will be closing at the end of business on June 9, 2011. The funds will be used to re-finance our current short-term debt. Mechel's total debt will not increase," Mechel OAO's Chief Financial Officer Stanislav Ploschenko commented.

\* According to the Russian Central Bank exchange rate of 27.7814 RUR/\$ as of June 8, 2011.

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Mechel is one of the leading Russian companies. Its business includes four segments: mining, steel, ferroalloy and power. Mechel unites producers of coal, iron ore concentrate, nickel, steel, ferrochrome, ferrosilicon, rolled products, hardware, heat and electric power. Mechel products are marketed domestically and internationally.

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Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of Mechel, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements. We refer you to the documents Mechel files from time to time with the U.S. Securities and Exchange Commission, including our Form 20-F. These documents contain and identify important factors, including those contained in the section captioned "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in our Form 20-F, that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among

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others, the achievement of anticipated levels of profitability, growth, cost and synergy of our recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals and licenses, the impact of developments in the Russian economic, political and legal environment, volatility in stock markets or in the price of our shares or ADRs, financial risk management and the impact of general business and global economic conditions.







**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Mechel OAO

Date: June 8, 2011

By: Yeveny V. Mikhel

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Name: Yeveny V. Mikhel

Title: CEO

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