

RusAl Rejects \$9Bln Offer From Potanin

By [The Moscow Times](#)

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The  **Moscow Times**

United Company RusAl on Friday rebuffed a "derisory" \$9 billion offer from billionaire Vladimir Potanin to buy its 25 percent stake in Norilsk Nickel.

RusAl's investment "is not for sale at any price and is viewed as a critical component of RusAl's future strategy of diversification," said Nathaniel Rothschild, chairman of En+ Group, billionaire Oleg Deripaska's investment company that controls RusAl.

Potanin's offer "is derisory," Rothschild said in an e-mailed statement.

Based on Friday's close in London, Norilsk had a capitalization of \$35.2 billion, which would suggest a market price of \$8.8 billion for RusAl's stake.

Potanin said he wrote to RusAl chairman Viktor Vekselberg urging him to discuss selling RusAl's interest in Norilsk, Russia's biggest mining company.

Potanin, whose Interros Holding also owns 25 percent of Norilsk, told reporters in Moscow

that RusAl should either sell out or merge with Norilsk.

"About \$9 billion, that's the starting point for the talks," he said.

Norilsk fell 90.34 rubles, or 1.6 percent, to close at 5,462.74 rubles in trading on the MICEX exchange, its biggest drop since Sept. 15. The MICEX Index finished Friday 0.6 percent lower, closing at 1,519.3.

A feud between Potanin and Deripaska's RusAl, dating back to 2008, reignited after a June election of the Norilsk board that gave RusAl three seats to Potanin's four. Norilsk's investors on Thursday voted against RusAl's motion to re-elect the board in a blow to Deripaska's ambitions to boost his influence.

Potanin has clashed with Deripaska over how Norilsk manages cash and operations. Deripaska wants bigger dividends to help RusAl, the world's largest aluminum company, pay off about \$13 billion of debt and a management overhaul. He has also offered to buy Potanin's Norilsk stake.

Potanin said Interros, Norilsk and the mining company's pension fund were among investors were willing to work together on the buyout — an offer that indicates Potanin has taken the shareholder decision as a vote of confidence that he will leverage to push out RusAl.

"I sent this letter on behalf of Interros, but of course there will be a pool of investors with financing from banks," he said, adding that Western banks could participate in the funding, and that Norilsk Nickel's pension fund and unnamed financial investors would be part of the bid.

Russian officials have said the government would intervene should the shareholder conflict threaten operations at Norilsk, which is the world's biggest nickel and palladium producer.

The two sides should agree "between themselves," Deputy Prime Minister Igor Sechin said Aug. 31 after a meeting hosted by Prime Minister Vladimir Putin and attended by Potanin and Deripaska in the Arctic city of Norilsk.

"If the dispute affects the socioeconomic sphere in Norilsk, then the state may interfere," Sechin said.

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