

Renault-Nissan in Talks to Buy AvtoVAZ Stake

By [The Moscow Times](#)

October 28, 2010

The  **Moscow Times**

The Renault-Nissan alliance is in talks to raise its stake in Russian carmaker AvtoVAZ by purchasing shares from Troika Dialog brokerage that is trying to sell its 25 percent holding, the brokerage said Thursday.

“Troika Dialog is in negotiations with Renault-Nissan,” Troika managing director Sergei Skvortsov said in an e-mailed statement. “The talks are at a very early stage.”

Skvortsov's comments came after Carlos Ghosn, who heads Renault and its Japanese affiliate Nissan Motor, told Russia Today television late Wednesday that he was in discussions to buy Troika's stake, worth 11.6 billion rubles (\$379 million) at Wednesday's closing price.

“As part of our long-term strategy, the alliance will continue to make investments in our business in Russia, which could include taking a larger stake in our local partner,” Renault-Nissan spokesman Simon Sproule said in an e-mailed statement.

Renault-Nissan had until now resisted public pressure from Russian officials including Prime Minister Vladimir Putin to increase the 25 percent stake in AvtoVAZ that Renault bought for \$1 billion in 2008.

Renault as recently as June said it had no plans to raise its stake in the Russian automaker.

The French carmaker raised 3 billion euros (\$4.2 billion) on Oct. 7 by selling a 14.9 percent stake in Volvo, saying at the time that the sale was designed to “strengthen Renault’s balance sheet” and pay down debt.

Troika, Renault and state-owned Russian Technologies each hold 25 percent of AvtoVAZ. Troika, Russia’s oldest brokerage, said in March that it was “ready to exit” AvtoVAZ.

Oleg Lobanov, vice president for finance at AvtoVAZ, said earlier this week that the carmaker expected net income of 1 billion rubles in 2010 under Russian accounting standards. AvtoVAZ had nine-month net income of 622 million rubles, he said.

Russia has offered to acquire part of the French government’s 15 percent Renault stake if the carmaker increases its holding in AvtoVAZ, Putin said in June.

Renault agreed a year ago to contribute technology worth 240 million euros to help AvtoVAZ develop new models and improve efficiency.

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