

Norilsk Ready to Up Bid of \$12Bln

By [The Moscow Times](#)

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The  **Moscow Times**

Norilsk Nickel mining company is seeking to buy out shareholder United Company RusAl and is ready to increase its \$12 billion offer in a bid to end an ownership feud, a person with knowledge of the matter said.

Norilsk discussed a price of \$14 billion in late December, while RusAl founder Oleg Deripaska demanded \$16 billion, the person said, declining to be identified because the negotiations are confidential. Norilsk is in talks with RusAl shareholders Viktor Vekselberg and Mikhail Prokhorov, who are seeking to persuade Deripaska to sell his Norilsk stake, the person said.

Norilsk offered RusAl at least \$12 billion last month for its 25 percent stake, seeking to end a battle for control of the nickel producer. Prokhorov, RusAl's second-largest owner, urged the company to sell, saying the deal would raise RusAl's market value by a "minimum 50 percent." The Moscow-based aluminum maker said Dec. 29 that it had no intention of selling.

"We are unaware of any negotiations by RusAl's separate shareholders on the matter," RusAl said Thursday by e-mail. "RusAl is a public company, and only its board of directors is

authorized to approve the company's transactions." ❌

Amid the ownership conflict, the nickel company won't award any export contracts to RusAl shareholder Glencore International, the person said Thursday.

A telephone call to Baar, Switzerland-based Glencore wasn't returned Thursday.

Following RusAl's refusal to tender its shares, Moscow-based Norilsk offered to repurchase stock at a premium to the market price, with the buyback offer expiring Jan. 21.

Deripaska has been locked in a dispute with fellow Norilsk shareholder Vladimir Potanin since 2008, and has rebuffed two proposals since October to sell out of the company. Should RusAl agree to sell its stake, completion of the deal could take four to six months, the person said Thursday.

Andrei Belyak, a spokesman for Prokhorov's Onexim Group, and Andrei Shtorkh, a spokesman for Vekselberg, declined to comment.

Norilsk Nickel, the world's largest palladium and nickel miner, may drop the dividend payout on its 2010 results since it has launched a \$4.5 billion share buyback, Vedomosti said Thursday.

The paper, citing a source close to the firm's board of directors, said the company is discussing not paying a dividend as one of its options.

Vedomosti also cited a shareholder source saying that the Norilsk management has started consultations about the zero dividend with some of the shareholders.

(Reuters)

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