

# Norilsk Mulls Buyback, Fails to Disclose Share Information

By [The Moscow Times](#)

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Norilsk Nickel's board on Monday will discuss holding a third share buyback this year for the country's largest mining company.

The plan follows a proposal by billionaire shareholder Vladimir Potanin's Interros Holding, the company said in a statement on its web site Wednesday. The company will consider the price of its last buyout offer to shareholder United Company RusAl, when setting the level for the transaction, the statement shows.

Norilsk unit Corbiere Holdings announced a \$1.2 billion share buyback on April 5 after spending \$3.3 billion at the beginning of the year to purchase a 6.85 percent stake. Norilsk has also made offers to acquire its stock from RusAl, the latest being a \$12.8 billion bid for a 20 percent holding equating to about \$335 a share that RusAl rebuffed in March.

At that level, a new share buyback would offer investors a 56 percent premium to the current

market price, George Buzhenitsa, a Deutsche Bank analyst, said by phone in Moscow. "If this is the case, I think the offer will be made for a small amount of shares," he said.

The buyback will be conducted by a Norilsk unit, the agenda for the Aug. 15 board meeting shows. The terms of the offer will be based on the recommendations of banks that consult on the deal, along with the price of the last offer to RusAl.

The Interros press office and Norilsk spokeswoman Erzhenia Ishenko declined to comment further on the buyback plan. RusAl's press office was not immediately able to comment.

Norilsk agreed in June with a group of international banks \$800 million of financing over one year, the company said in its annual report published Wednesday. The funds may be partly used to finance a buyback, said Deutsche Bank's Buzhenitsa.

Also posted on the company's web site Wednesday was that it failed to disclose information about transactions involving as much as 8 percent of its shares, auditor KPMG said in Norilsk's 2010 annual report.

Norilsk in 2010 sold about 4.44 percent of its treasury stock and agreed on a call option for a further 3.6 percent stake, KPMG said in the introduction to the report. It was posted seven weeks after the June 21 annual shareholders meeting.

KPMG was unable to obtain appropriate documentation about these transactions or establish who owns the stock, the auditor said.

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