

Norilsk Considering Share Cancellation After Buyback

By [The Moscow Times](#)

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Norilsk Nickel, the largest producer of the metal, could cancel shares it plans to buy back, potentially increasing stakes of some shareholders amid a feud over control of the company and its funds that dates from 2008.

"It is an international practice, and we think that the shares which Norilsk will buy back from the investors should be canceled," chairman Andrei Bugrov said in an interview Friday. While terms are undecided, Norilsk is seeking to support its share price during a period of market turmoil, he said.

Bugrov was elected by Norilsk's directors in June, shifting the board away from billionaire owner Oleg Deripaska and toward rival shareholder Vladimir Potanin, whose Interros Holding owns about 30 percent of the nickel producer. Deripaska's United Company RusAl, the world's biggest aluminum maker, has 25 percent.

Under Russian rules, a shareholder is able to skip making a mandatory offer for a company, normally triggered by a rise in his stake above 30 percent, if it follows a share cancellation, Artur Rokhlin, a partner at law firm UST in Moscow, said Friday.

The shareholder is also allowed to sidestep approval from the nation's Federal Anti-Monopoly Service to increase his stake until a threshold of 50 percent is reached, he said.

Norilsk's board said this week that on Aug. 15 it would consider its third buyback this year. Its Corbiere Holdings unit has so far spent \$4.5 billion purchasing a 9.23 percent stake.

In setting the price, the company will consider criticism from some shareholders that followed an earlier offer to buy a 20 percent stake from RusAl, Bugrov said. Norilsk offered \$12.8 billion, or a 43 percent premium to the market at the time.

"We should consider this experience and weigh carefully the premium of the new buyback," Bugrov said in Moscow.

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