

Struggling RusAl Seeks U.K. Courts' Support for \$3.6 Billion Debt Deal

By [The Moscow Times](#)

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MELBOURNE, Australia — Floundering aluminum giant RusAl has won another reprieve from lenders, extending a deadline to refinance \$3.6 billion in debt to the end of October while it seeks court approval for a debt restructuring that is being blocked by a few lenders.

Without the deadline extension, RusAl, whose earnings have been hit by a slump in aluminum prices, would have faced default on July 7.

RusAl said 94 percent of lenders had backed the restructuring, but in the absence of unanimous support it would apply to UK courts to approve a scheme of arrangement to implement the debt deal.

"We are pleased that efforts to refinance our debt portfolio have attracted such significant lender support. We are disappointed, however, that these have not been supported by a very small minority of lenders," RusAl's deputy chief executive, Oleg Mukhamedshin, said in a

statement Friday.

The world's top aluminum producer said schemes of arrangement through British courts had become an important restructuring tool.

"It prevents a few hold outs from frustrating the will of a large majority of a company's creditors," RusAl said.

RusAl has been booking losses due to the drop in aluminum prices, which have only recently bounced off four-and-a-half year lows as global producers have cut output in face of a glut stoked by China.

RusAl's shares have soared nearly 60 percent this year on the prospects of an improvement in the market and a resolution to its debt woes.

See also:

[RusAl Expects Record Aluminum Prices for Q3](#)

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