

Polyus Gold Co-Owner Considers Buyout Offer

By [The Moscow Times](#)

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The economic crisis in Russia has persuaded a co-owner of Polyus Gold to consider a \$5.4-billion buyout, which could end the top Russian gold producer's premium listing in London after just three years, say three sources close to the possible deal.

Said Kerimov, the 20-year-old son of tycoon Suleiman Kerimov, already controls a 40 percent stake in the gold miner along with the Suleyman Kerimov Foundation.

His father, who Forbes magazine estimates is worth \$3.4 billion, is not allowed to hold assets directly because of his membership of the Federation Council, Russia's upper house of parliament.

In a low-key announcement, Said Kerimov and the foundation announced last week, via their companies Sacturino and Wandle, that they were now considering making an offer to buy the remaining 60 percent of the firm by the end of September.

Sources told Reuters the move reflected a view among the secretive Kerimov family that a London listing was less attractive now because of tighter access to Western capital, sanctions imposed over Moscow's role in the Ukraine crisis, and the Kremlin's attitude to overseas listings.

Russian officials have urged companies to consider delisting from overseas stock markets to protect themselves from Western sanctions and have tried to encourage politicians and businessmen to bring assets back home from the "offshore shadows" amid a flagging economy.

"Wandle believes that it is better for Polyus to be developed as a private company," one of the sources told Reuters.

Sacturino, a subsidiary of Wandle, is in discussions with VTB, Russia's second-largest bank, about financing the possible offer, the source added.

VTB, Wandle and Polyus declined to comment.

With ties between Russia and the West at their lowest level since the Cold War, any decision by Polyus to exit London could "even be cheered" by the Kremlin, the second source said, improving Suleiman Kerimov's standing with the authorities.

Suleiman Kerimov displeased the Kremlin in 2013, when he decided to end a joint potash trading venture between Russia's Uralkali, a firm he previously co-owned, with a Belarussian partner, a step that ignited a political row between Moscow and Minsk.

Thinly Traded Shares

Despite a fall in the gold price and Western sanctions, the market value of Polyus in London has not been as volatile as some of its peers.

That was due to demand from large shareholders, something which eventually meant its shares were thinly traded, according to two sources.

Its shares rose almost 8 percent in August, outperforming a 1 percent rise in the FTSE Gold Mines Index. Its market value was 5.9 billion pounds (\$9 billion) on Monday.

Delisting from London would make it easier for Polyus' large shareholders to manage their loans, under which Polyus shares are pledged as collateral, the two sources added.

"The liquidity of Polyus Gold shares has been low for quite some time for now, and the potential buyout of the company was widely expected," Sberbank CIB said in a recent note.

Other Polyus shareholders include Gavril Yushvaev, who has a 19.3 percent stake, and Oleg Mkrtychan who has an 18.5 percent stake.

The official free float is around 22 percent. However, many minority investors have sold out in recent months, according to a former Polyus minority shareholder, who said they were attracted by their better-than-average value.

The company also has a Russia-registered subsidiary, which bears the same name, and would be able to keep its listing in Moscow if the buyout went ahead, according to two sources.

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