

Potantin's Interros Wants to Increase Norilsk Stake

By [The Moscow Times](#)

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Billionaire Vladimir Potanin, locked in a dispute over control of Norilsk Nickel, may respond to an offer to sell his stake to rival Oleg Deripaska with a counter-bid for Deripaska's 25 percent holding.

Potanin's Interros Holding, which increased its influence over Norilsk after a June 28 board election, is interested in raising its stake, spokesman Andrei Kirpichnikov said Wednesday. Vedomosti earlier reported that Norilsk directors and Potanin were preparing a joint bid for the shares held by Deripaska's United Company RusAl.

"Norilsk can easily borrow money to buy out RusAl's stake and let the company develop without the shareholder conflict," Norilsk spokeswoman Erzhena Mintasova said by phone from Moscow. "A pool of lenders, including state-owned banks, could be picked quickly to raise the necessary funding."

Norilsk can't use its balance sheet to buy out investors, RusAl said Wednesday in an e-mailed statement. Shareholders, rather than management, should decide on the use of the company's cash, it said.

The fight for Russia's biggest mining company has escalated in the past two months, prompting President Dmitry Medvedev to order the Prosecutor General's Office to review the situation, RIA-Novosti reported Tuesday. RusAl alleges the June 28 vote was manipulated and asked the state to probe an election that left Deripaska's company with three board seats to Potanin's four. Norilsk's management, which voted with treasury shares representing 8.5 percent, also got three seats.

RusAl spokeswoman Vera Kurochkina said the aluminum producer does not have any plans to sell shares. "It's impossible to buy something that isn't for sale," she said. Deripaska, chief executive officer of RusAl, offered to buy the 25 percent Norilsk stake held by Potanin's Interros last week.

"The balance of power within the company is currently tipped in favor of one shareholder, Interros, and reflects the malfunctioning system of checks and balances," said Mikhail Stiskin, an analyst at Troika Dialog. "Both parties are unlikely to voluntarily sell right now; only the state can resolve the conflict."

Russia could take a stake in Norilsk through a state-controlled company to help defuse the feud, three people familiar with the situation said last month.

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