The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Rio Tinto Team Said to Visit Uralkali as Possible Investor

By The Moscow Times

September 08, 2010

The miner declined to comment on speculation it may buy 10-15 percent.

Representatives of Rio Tinto have come to Russia to visit potash producer Uralkali, in which the mining giant could be seeking to acquire a stake, Vedomosti reported Wednesday.

The newspaper cited three sources close to Uralkali as saying the team from Rio Tinto had arrived in Russia. One said Rio Tinto was ready to buy 10 percent to 15 percent of Uralkali based on a valuation of $15 billion.

Rio declined to comment on media speculation, but an analyst quoted chief executive Tom Albanese as saying the company is interested in the potash sector.

Rio seems to have revived interest in potash since 2009, when it sold its undeveloped potash assets in Argentina and Canada to Brazil's Vale for $850 million.

The delegation from the British-American giant is studying the work of Uralkali, which has a

market capitalization of about $9.9 billion, one of the sources said.

One of the three Russian tycoons who bought a combined stake of more than 53 percent in Uralkali, Senator Suleiman Kerimov, visited the company Monday, a source close to the company said.

But a Kerimov assistant in the Federation Council said the billionaire was in Moscow all week, Interfax reported.

Shares in Uralkali closed up 3 percent in Moscow, outperforming the broader MICEX Index, which finished 1.7 percent higher. Rio Tinto shares rose 0.9 percent in London, outperforming the FTSE-100, which gained 0.6 percent.

"The participation of the global major is one of the potential exit strategies for the major shareholders of Uralkali," Renaissance Capital analyst Marina Alexeyenkova wrote.

"However, we believe Kerimov is a long-term investor in Uralkali, interested in the development of its business and consolidation of the sector."

Original url:
https://www.themoscowtimes.com/2010/09/08/rio-tinto-team-said-to-visit-uralkali-as-possible-investor-a1277