

Acron Eyes Domestic Merger Amid \$2Bln Investment Plan

By [The Moscow Times](#)

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Fertilizer maker Acron will consider a merger with domestic competitors as early as next year as it seeks to finance a \$2 billion investment program, billionaire owner Vyacheslav Kantor said in an interview.

A merger would boost earnings at Acron, helping the company manage its "investment burden," Kantor said in Moscow. Minudobrenia, part-owned by Norway's Yara International, and Moscow-based UralChem Holding are among potential targets, he said.

Russia's biggest fertilizer companies have been studying combining operations to expand output as shrinking arable land and rising world food demand spur demand for their products.

Billionaire Suleiman Kerimov plans to merge Silvinit and Uralkali after taking control of both with his partners this year, while PhosAgro has said it is seeking talks with Canada over a possible bid for Potash Corporation of Saskatchewan.

There is no sense in PhosAgro bidding for Potash Corp. because the Russian market offers "better opportunities," Kantor said. "Given the currently overheated price for potash assets, it makes much more sense to develop new potash mines in Russia rather than to buy existing producers abroad," he said.

Canada earlier this month rejected BHP Billiton's \$40 billion bid to acquire Potash Corp.

Acron, which has committed to spend about \$2 billion by 2016 to expand in phosphate and potash, also plans to sell as much as 20 percent of its shares in London in 2012, Kantor said.

Acron, with a London market capitalization of \$1.43 billion, is "definitely undervalued" and hopes to attract investors once it opens a new phosphate mine in northern Russia, he said.

Eduard Markov, a spokesman for Minudobrenia, and UralChem's press service declined to comment.

Kantor owns about 80 percent of Acron. He was ranked as the 48th-richest man in Russia with a fortune of \$1.3 billion by Forbes magazine this year.

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