The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Nissan Will Buy 10% of AvtoVAZ

By The Moscow Times

November 21, 2010



Nissan Motor, Japan's third-largest carmaker, aims to acquire a 10 percent stake in AvtoVAZ, Russian Technologies chief Sergei Chemezov said Friday.

"The plan is for Nissan to buy a large shareholding of about 10 percent," Chemezov told reporters in Moscow.

He said Russian Technologies estimated AvtoVAZ was now worth $2.4 billion, but its value will rise in 2011 when the deal is expected to take place.

"Next year it will already be $2.8 billion to $2.9 billion," Chemezov said. Russian Technologies wants to sell the shares in the first or second quarter.

Carlos Ghosn's alliance of Nissan and Renault is moving to take a majority stake in Tolyatti-based AvtoVAZ, the maker of Lada vehicles, after Renault bought 25 percent in 2008.

Ghosn said earlier this month that the alliance would seek control of AvtoVAZ. Mitsuru

Yonekawa, a Nissan spokesman, declined to comment.

“A stake would give Nissan the possibility of introducing more of its products to Russian consumers, not only through direct sales but also through technology it gives to AvtoVAZ,” said Dmitry Baranov, senior analyst at Finam Management.

Renault paid $1 billion for its 25 percent stake. The company is upgrading AvtoVAZ’s plant to roll out new models in 2012 under all three brands.

The Japanese company will buy 4 percent of AvtoVAZ from Russian Technologies, allowing the state-owned holding company to maintain a blocking minority stake, while another 6 percent would be acquired from brokerage Troika Dialog in the first half of 2011, Chemezov said.

(Bloomberg, Reuters)

Original url: https://www.themoscowtimes.com/2010/11/21/nissan-will-buy-10-of-avtovaz-a3150