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Norilsk Sells $3.5Bln Stake

By The Moscow Times

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Norilsk Nickel agreed to sell $3.5 billion of stock, representing an 8 percent stake, to commodities trader Trafigura Beheer.

Norilsk will sell the stake in the form of American Depositary Receipts held by subsidiaries, and use the proceeds for "general purposes," the company said Monday in a statement. Trafigura has no plans to increase its holding to more than 10 percent, Norilsk said.

"The sale of treasury stock may indicate that Norilsk is going ahead with its plan to buy out" RusAl, said Vladimir Zhukov, an analyst at Nomura Holdings. Selling 8 percent in treasury stock would keep Norilsk below a 30 percent threshold that triggers a mandatory offer to minority holders, while raising cash ahead of a possible deal with RusAl, he said.

"We are concerned that an asset worth over $3.5 billion was monetized without discussion and voting at the board," RusAl said in a statement. "Moreover, the stake was sold to Trafigura, a company which is a direct competitor of Norilsk Nickel for marketing and sales of its metals." Trafigura, based in Amsterdam, is the world's second-largest trader of

nonferrous metals.

The sale to Trafigura could presage an "ultimate acquisition of RusAl's stake in Norilsk," whereby Trafigura provides funding for Norilsk's bid, Erik Danemar, an analyst at Deutsche Bank, said Monday.

(Bloomberg)

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