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RusAl Defends Stake Hold

By The Moscow Times

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United Company RusAl, facing investor questions for refusing to sell its stake in nickel producer Norilsk Nickel to cut debts, said it continuously benefits from the shareholding.

"The price of the Norilsk stake is going up, and that helps our balance sheet," Oleg Mukhamedshin, deputy chief executive of the biggest aluminum producer, told Bloomberg TV. "We're benefiting every day."

RusAl's debt almost doubled after it bought Norilsk shares in 2008 before commodity prices collapsed, leading to a net loss of $6 billion that year. Still, holding Norilsk shares helped RusAl return to profit in 2009 as their value doubled. Norilsk has surged a further 77 percent since Jan. 1 last year.

(Bloomberg)

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