

# Potanin Looks to a Link Up Abroad

By [The Moscow Times](#)

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Trafigura Beheer, the world's second-largest trader of industrial metals, might work with Norilsk Nickel on projects outside of Russia, Norilsk shareholder Vladimir Potanin said.

"Norilsk is a well-managed company in Russia, but management of our foreign assets can be improved," Potanin said late last week. "Trafigura may help as it has relevant experience," said Potanin, who controls about 30 percent of Norilsk through his Interros holding company.

Norilsk's overseas assets include plants and mines in Africa, Australia and northern Europe. Trafigura has about \$1.9 billion of industrial assets around the world, according to the Amsterdam-based company's web site.

"We are in talks about different options for cooperation with Trafigura, but we have nothing to say right now", Norilsk spokeswoman Erzhen Mintasova said Friday.

Trafigura in December said it planned to buy 8 percent of Norilsk from the company. The deal was opposed by United Company RusAl, which holds 25 percent of Norilsk and has been

locked in a dispute with Potanin over management of the company off and on since 2008.

"We need to understand the nature of this deal first before talking about the role of Trafigura in Norilsk's business," RusAl spokeswoman Vera Kurochkina said by e-mail Friday.

RusAl chief executive Oleg Deripaska, whose company controls 25 percent of Norilsk, said last week that the nickel producer may be short of cash because of decisions including repeated share buy backs.

Norilsk Nickel may pay dividends for 2010 even after spending \$4.5 billion to buy back shares, Potanin said.

"Minority shareholders want stability, even with the shareholders conflict," Potanin said last week. "Norilsk has good financials, so I see no reasons why the company shouldn't pay dividends."

"The company should pay dividends as declared in the dividend policy," Potanin said, without giving a specific figure. Norilsk's policy is to pay out at least 25 percent of net income every year, according to the company.

The company will probably report \$5 billion in net income for 2010 if there are no write-offs, implying a dividend of at least \$1.25 billion, said Vladimir Zhukov, a metals analyst at Nomura Holdings. Norilsk paid out \$1.33 billion for 2009, about half of that year's profit.

Norilsk on April 4 said it would spend \$1.2 billion buying back stock, after paying a total of \$3.3 billion for 6.85 percent of its shares at the start of the year. RusAl opposed the buyback, which Morgan Stanley analyst Dmitry Kolomytsyn said at the time would make a dividend payment for 2010 "highly unlikely."

"RusAl has always considered dividends as the most fair way to distribute profit," Kurochkina said.

Deripaska said on a conference call with reporters on April 20 that he tried to discuss the conflict at Norilsk with Potanin, "but came to no conclusion."

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