The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

RusAl Rejects Norilsk Buyback Offer

By The Moscow Times

September 05, 2011



United Company RusAl's board refused to surrender a stake in Norilsk Nickel for the fourth time in a year, prolonging a battle for control of Russia's largest mining company, the aluminum producer said Monday in an e-mailed statement.

Directors at the aluminum maker rejected Norilsk's Aug. 19 offer to buy back a 15 percent stake for $8.75 billion, said two people, who declined to be identified because the information is confidential.

Norilsk and largest shareholder Interros Holding have been trying to buy back RusAl's shares since October to end a dispute over influence on the board and use of the nickel company's cash. RusAl, controlled by Oleg Deripaska, holds a quarter of Norilsk, while Vladimir Potanin's Interros has almost 30 percent.

Norilsk's directors said Aug. 24 that the offer to RusAl amounted to $306 a share, representing a 20 percent premium on the six-month average stock price. In response, RusAl said the proposal "isn't in the interest of Norilsk and destroys the company's value,"

according to a statement that day.

The nickel producer previously offered to buy back a 20 percent stake from RusAl for $12.8 billion, a bid that was rebuffed on March 4, even as billionaire RusAl investors Mikhail Prokhorov and Viktor Vekselberg pushed for a sale.

Norilsk will offer to repurchase stock from the remaining shareholders on the same terms, should RusAl reject the latest bid, board member Larisa Zelkova said Aug. 15.

Original url: https://www.themoscowtimes.com/2011/09/05/rusal-rejects-norilsk-buyback-offer-a9348