

RusAl Won't Block Share Cancellation

By [The Moscow Times](#)

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United Company RusAl will not block a cancellation of shares that Norilsk Nickel will repurchase from investors, even though it says the deal benefits a rival shareholder, Vladimir Potanin's Interros.

"We consistently supported the idea of cancellation of treasuries, and this time is no exception, though we understand that Interros will benefit from it," deputy chief executive Maxim Sokov told reporters Thursday. The buyback is structured to benefit Interros, giving it the opportunity to sell as many shares as possible, Sokov said.

Norilsk will cancel repurchased shares if RusAl does not block the deal, Potanin said in an interview Wednesday.

Sokov said Norilsk should get approval from the Russian government on the planned \$4.5 billion buyback under the strategic companies law. Norilsk's buyback is being carried out by foreign-registered units, which will cross a 10 percent threshold for ownership, which requires special permission.

Norilsk spokeswoman Erzhenia Ishenko declined to comment immediately.

The nickel company's unit Norilsk Nickel Investments began a monthlong program Wednesday to repurchase 7.71 percent of the stock for as much as \$306 a share, or \$30.60 a depositary receipt.

The buyback has drawn criticism from RusAl, owner of a 25 percent stake. Interros and RusAl have been locked in a dispute over influence on the board and use of the company's cash since 2008. RusAl said Sept. 13 that the buyback is solely in the interest of Interros, which aims to take full control of Norilsk using the company's own balance sheet.

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