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# Bourse Head Cheung Picked to Chair RusAl

By The Moscow Times

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Barry Cheung

United Company RusAl, the world's largest aluminum producer, elected Hong Kong's Barry Cheung as chairman Friday, to replace billionaire shareholder Victor Vekselberg, who quit last week amid a management conflict.

Cheung, head of Hong Kong Mercantile Exchange, joined the board prior to RusAl's initial public offering of shares in Hong Kong in January 2010. Vekselberg resigned as chairman on March 12, citing a "deep crisis" at the debt-laden company and divisions with controlling owner and chief executive Oleg Deripaska over dividends and divestments.

"We are thrilled to have someone of Barry's caliber leading us as chairman," Deripaska said Friday in a statement. The businessman said March 13 that an independent chairman would be good for RusAl and rejected Vekselberg's claims, saying the company is in "no deep or even shallow crisis."

Cheung is chairman of the Hong Kong Mercantile Exchange, in which Deripaska's energy holding En+ Group bought 10 percent in June 2010, six months after the RusAl IPO. RusAl plans to "heavily" support the exchange, Deripaska said in September of that year. The exchange was formed in 2008 to trade commodities in Asia, according to its website.

A former McKinsey consultant and a graduate of Harvard Business School's MBA program, Cheung is also the chairman of the Urban Renewable Authority and of the election campaign of Leung Chun-ying, one of the candidates vying to become Hong Kong's next chief executive when a 1,200-member committee votes on March 25. The committee includes some of the city's richest men, including billionaire Li Ka-shing, who was one of the cornerstone investors in RusAl's IPO.

RusAl shares have fallen about 48 percent since the IPO and closed down 0.5 percent at 5.65 Hong Kong dollars on Friday, the lowest level in almost two months, cutting its value to 85.8 billion Hong Kong dollars ($11.1 billion). Russian depositary shares rose as much as 4.8 percent in Moscow.

Meanwhile, RusAl investor SUAL Partners called Cheung's appointment "rushed and suboptimal."

RusAl should have made a "full-fledged examination" of candidates for the job using international consultants, Andrei Shtorkh, a spokesman for SUAL, said Saturday in an e-mailed statement.

SUAL, which controls 16 percent of RusAl, represents the interests of investors including Victor Vekselberg. RusAl's chairman should be a Russian citizen, SUAL said.

"The appointment of the chairman followed careful consideration by the board and was approved by a majority vote," RusAl said Sunday in an e-mailed statement.

RusAl sees Shtorkh's comments as "inappropriate" and is considering pursuing legal action, the company said in the statement.

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