

# Potanin Sees Norilsk Canceling 10% of Its Shares

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Vladimir Potanin **Sergei Porter**

Norilsk Nickel's largest shareholder expects the metals producer to cancel up to 10 percent of its stock held in treasury, a move that could help buoy its share price.

The market capitalization of Norilsk has plunged 31 percent in the past 12 months.

"Norilsk Nickel will begin this process shortly," Vladimir Potanin, the country's fourth-richest businessman, told reporters on the sidelines of the Global Capital Markets and Corporate Governance conference in Moscow.

Potanin, whose net worth is estimated by Forbes magazine at \$14.5 billion, is locked in a conflict with Oleg Deripaska, a fellow Russian mining tycoon whose aluminum company, RusAl, owns a 25 percent stake in Norilsk.

Some of Deripaska's criticism has centered on buyback programs and the management

of treasury shares.

Now RusAl's shareholders are in dispute as its minority investors, led by oligarch Viktor Vekselberg, are trying to open a legal action over a \$47 billion supply deal between RusAl and commodities trader Glencore.

Potanin said he does not see any advantages from RusAl's conflict for him and is no longer seeking a controlling stake in Norilsk.

"The conflict makes RusAl weaker," he told reporters. "If I believed that it was a good idea to combine these two companies, it would be a good moment for a merger. However, our consultants can hardly find any industrial logic in such a merger."

Potanin said he does see logic in merging with another mining firm, iron ore company Metalloinvest, controlled by Russia's richest businessman, Alisher Usmanov.

But he added that it is just his idea and that there are no talks about such a merger.

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