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Billionaire and Ex-Senator Buy Out Kerimov's Stake in Builder PIK

By The Moscow Times

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Tycoon Alexander Mamut will join former senator Sergei Gordeyev in buying out the 36 percent share in property developer PIK Group, currently owned by billionaire Suleiman Kerimov's investment vehicle Nafta Moskva.

Mamut, whose worth in March was assessed by Forbes at $2.3 billion, confirmed plans to purchase a 16 percent share in PIK Group "at market price with personal and borrowed funds" and called the buy a "long-term investment," Vedomosti reported Monday.

This share would be worth $208 million, based on PIK's $1.3 billion capitalization on the London Stock Exchange on Monday.

Reports of Gordeyev's plans vary, with Vedomosti saying he intends to buy the remaining 20 percent of Nafta Moskva's share, while Kommersant reported Tuesday that he was looking at acquiring a 30 percent share.

Both newspapers cited unidentified acquaintances of Gordeyev, while the former Federation Council member himself declined to comment.

Although Mamut and Gordeyev share assets — both own about 8 percent shares in Otkritie Financial Corporation, which reportedly acts as a financial consultant for the two men and itself holds an 11.4 percent stake in PIK Group — their decisions to invest in PIK were made independently, a source close to one of the deal's participants said.

The share sale is expected to close by the end of the year, another individual familiar with the negotiations said.

Kerimov has been gradually cashing in major assets since the summer, including the sales of his share in diamond producer Alrosa and of a 21.75 percent stake in Uralkali, the world's largest potash producer, which was purchased by billionaire-turned-politician Mikhail Prokhorov for between $3 billion and $4.5 billion.

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