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Oligarchs Abramovich and Deripaska Take Boardroom Battle to London Court

By Reuters

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Oleg Deripaska, Roman Abramovich / MT

Russia tycoon Oleg Deripaska gave evidence in the London High Court on Monday in a case challenging the sale of shares in Norilsk Nickel (Nornickel) by football club owner Roman Abramovich.

Deripaska, making his first public appearance since being made a target of U.S. sanctions, wants to stop Abramovich selling Nornickel shares to another Russian billionaire Vladimir Potanin, saying it violates a 2012 shareholder deal.

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The hearing, which is expected to last four days, is part of a long-running battle for control of the mining firm, one of the world's biggest producers of nickel.

Deripaska, the co-owner of En+ and Rusal that have also been targeted by U.S. sanctions, told the court he was "quite upset that Rusal's interests could be seriously damaged" when asked about discussions with Potanin.

Deripaska, who was dressed in a dark blue suit and tie, spoke to the court in Russian via an interpreter.

Deripaska and Potanin have periodically been at loggerheads since Rusal bought a stake in Nornickel just before the 2008 global financial crash. Court documents said Deripaska and Potanin disagreed on how Nornickel should be run.

Potanin's Interros Holding said in March it had completed the purchase from Abramovich of a 2 percent stake in Nornickel, a deal that could be reversed if the London court rules in favour of Rusal.

Before purchasing the additional 2 percent, Potanin had 30.4 percent of Nornickel, against Rusal's 27.8 percent stake.

Nornickel is a $27.68 billion company that competes with Brazil's Vale for the rank of the world's top nickel producer. It is also the world's largest palladium producer.

Abramovich, who also owns England's Chelsea football club, stepped in as a "white knight" minority shareholder in 2012 to act as a buffer between Potanin and Deripaska.

He and his partners have a stake in Nornickel amounting to 6.3 percent, including 4.2 percent that is owned via a Cyprus-based company called Crispian.

The deal involved a five-year lock-up period, which the court heard was intended to be long enough to "build trust". During that period, the parties were barred from selling most of their Nornickel stakes.

Deripaska was ranked Russia's 19th richest man worth $6.7 billion by Forbes magazine before Washington imposed sanctions in April on him, as well as on Rusal and En+, in response to what the United States called Russia's "malign activities".

Potanin is expected to appear before the court on Tuesday.

The hearing is due to last until Thursday, after which further written submissions are expected.

After that, legal sources said the judge could take about two weeks to deliver his judgment.

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