

## Rusal Hopes to Regain Norilsk Board Seats

By Liam Pleven

Russian aluminum giant United Co. Rusal is pursuing its efforts to extend its influence over the world's largest nickel producer, OAO Norilsk Nickel, which it partially owns.

Vladislav Soloviev, a high-ranking Rusal official, said Norilsk needs to "improve" its corporate governance and criticized the world's largest nickel producer for not charging more for its metal. It loses out on up to \$300 million in revenue by not raising its price, he said.

Mr. Soloviev, Rusal's chief operating officer, said Rusal, which owns about 25% of Norilsk, is recruiting potential candidates to run for the Norilsk board of directors and is seeking support from Institutional Shareholder Services Inc., the influential proxy-advisory firm.

Rusal is also courting minority investors, and has launched a website called "SaveNorNickel" that lays out its views on the miner. Rusal is trying to marshal support ahead of special meeting of Norilsk shareholders scheduled to take place next month, after Rusal lost one of its four board seats at Norilsk's annual meeting in June.

One person it has approached to run for the Norilsk board is Lucian Bebchuk, who heads the program on corporate governance at Harvard Law School. Mr. Bebchuk said he has agreed to run for the Norilsk board. ISS declined to comment.

Norilsk could not be reached for comment, but earlier this month a company spokesman said the company doesn't see "any concrete ideas, or even constructive criticism" from Rusal.

Last month, Rusal said it had earned \$1.27 billion in the first half of 2010, and Mr. Soloviev said that he is "carefully bullish" on the price of aluminum, which has fallen 6% this year on the London Metal Exchange amid uncertainty about the global economy.

Rusal, led by Oleg Deripaska, and another major Russian firm, Interros Group, which owns roughly 25% of Norilsk, are locked in a long-running battle for control of the firm.

The fight has drawn the attention of the Kremlin, which indicated in July that it might consider having a state-controlled firm take a stake in Norilsk, which some saw as an effort to push the sides to resolve their differences.