



RUSO-BRITISH
CHAMBER OF COMMERCE

RBCC London

42 Southwark Street
London
SE1 1UN
Tel: +44 (0) 20 7403 1706
Fax: +44 (0) 20 7403 1245
www.rbcc.com

RBCC Moscow

16/2 Tverskaya St
4th floor
Moscow 125009
Tel: +7 (495) 961 2160
Fax: +7 (495) 961 2161
www.rbcc.com

RBCC St Petersburg

14 Sotsialisticheskaya St
6th floor
St. Petersburg 191119
Tel: +7 (812) 4488464
Fax: +7 (812) 4488459
www.rbcc.com

RBCC RussiaTALK 2008

Investment Forum

Western media coverage

October 22nd 2008

Developed by the Russo-British Chamber of Commerce

For further information please contact Ekaterina Petrova, Project manager at ekaterina.petrova@rbcc.com and Natalia Karmaleeva at natalia.karmaleeva@rbcc.com

Copyright © 1992-2008 The Moscow Times
October 23, 2008

SECTION: Business

HEADLINE: **Investors See Slowdown Through 2009**

BYLINE: Maria Levina

LINK: <http://www.themoscowtimes.com/article/1009/42/371873.htm>

BODY:

The mood was mixed at an annual investment forum in Moscow on Wednesday, with most speakers agreeing that economic growth would slow as the effects of the global financial crisis creep into real sectors of the economy.

President Dmitry Medvedev's economic aide Arkady Dvorkovich told the Russo-British Chamber of Commerce's investment forum that the volume of financial services would continue to contract, "and we are still far from a new equilibrium."

He said that while the global financial system was already in crisis, the real sector of the economy was only at the beginning of the slowdown.

"In the current environment, everyone has the same problems," Dvorkovich said, "and we do not make a distinction between Russian and foreign investors offering support to Russian and foreign partners." He said some Russian subsidiaries of foreign banks would receive support for Russian operations through the Central Bank.

Dvorkovich admitted that some of the country's banking players would face problems in the coming months.

"The banking sector will go through a wave of restructuring and consolidation," Dvorkovich said. "But there are no systemic risks in our financial system."

The crisis may stimulate the government to speed up the process of structural reforms that were being put off while the Russian economy was booming.

Dvorkovich stressed that the government was now more motivated to modernize the financial system, making it more liquid and coordinated, create a more efficient energy sector, foster education, improve productivity and fight corruption.

Andrei Bugrov, managing director of Interros and chairman of the board of the power utility OGK-3, was pessimistic, however.

"The outlook for 2009 is grim, full stop, the end to the global financial system as we know it," he said.

Bugrov also said it was obvious the markets were panicking, as certain companies were valued for less than the amount of cash on their balance sheet.

The financial system had to be better managed, Bugrov added, as the international volume of \$50 trillion in derivatives trading over the past several years far exceeded global GDP.

"Sit tight and save your cash would be a very sound approach at the moment," Bugrov said.

Other panelists were more upbeat, saying the current crisis presented opportunities for longer-term commercial success in Russia.

John Nicholls, the deputy CEO of HSBC Russia, said HSBC approved a \$200 million increase in the charter capital of its Russian subsidiary two weeks ago and was planning to launch its private banking and retail businesses here in the coming months. Nicholls said the bank had quadrupled its Russian team from 90 to 360 people in the last 18 months and did not plan to cut staff.

"We will be opening retail branches in Moscow and St. Petersburg in 2009 and plan to focus on quality of service," he said.

Jeff Costello, the CEO of JPMorgan International Russia, said that although JPMorgan had revised GDP growth forecasts for Russia to 3.5 percent in 2009, Russia was still better positioned than many other countries.

"To date, the actions of the Russian government have been extremely timely and effective," Costello said. "The devil will be in the details on how the money will be passed down to the economy."

But he also said investor confidence was affected negatively in the past weeks by the repeated closures of exchanges by the regulatory authorities. "Fund managers need to mark their investments to market on a daily basis," he said. "If the exchange is closed, they cannot do it. Many managers say when trading resumes they will switch to GDRs and ADRs."

Transparency remains one of the biggest issues for investors, and although some Russian companies are now trading at significant discounts relative to earnings, the return of foreign capital will also depend on Russia's image abroad.

Political analyst Yevgeny Kiselyov, the moderator for one of Wednesday's forums, said Russia's image abroad was at one of its lowest points ever, and despite falling oil prices and a global financial meltdown, this was yet another factor that had negatively affected the investment climate since August.

Copyright © Russia Beyond The Headlines
September 25, 2008

SECTION: Economic Analytics & Opinions

HEADLINE: **Building a bridge founded on commerce**

LINK: http://rbth.ru/articles/2008/09/25/250908_bridge.html

BODY:

On the eve of upcoming RussiaTALK investment forum, Timothy John Crommelin Eggar, president of the Russo-British Chamber of Commerce, comments on Russia/UK relations.
Building a bridge founded on commerce

How could you rate the present situation and perspectives of bilateral relations?

RBCC has been the bridge between British and Russian business for 92 years. We work both on helping British companies to find their place in the Russian market and for Russian companies to do business in the UK. The Chamber's main focus – as our name suggests – is on business bilateral relations, although clearly many of our member companies have wider international interests. Despite political and diplomatic problems between our two countries in recent years, business relations between Britain and Russia have never been better, and the prospect continues to look promising. The message, which has been coming from both governments, is that it is very important to maintain good business links, and the RBCC is very well placed to do this

What areas of business relations seem to have the most potential?

For British companies going to Russia, financial and legal services are particularly strong; many Russian companies are happy for agreements to be underpinned by English law. Retail is a very strong area for British firms in Russia, too. As for Russian companies coming to the UK, it is expected that, following a lull in listings on the London Stock Exchange, there will be a further increase in IPOs when markets become more favourable.

The popular view is that business in Russia is at least strange and really quite tough due to bureaucracy and an unclear legal system. What would you highlight as some of the "common difficulties" to setting up and developing business processes in Russia for British companies? What about Russian companies in the UK?

Without a doubt, the single biggest complaint made by British firms setting up in Russia is bureaucracy. Even those who have been doing business in Russia for many years (and indeed our Russian members) say that there has been little improvement in recent years.

The uncertainties of the legal system and the perception that for large business the state apparatus can be used to further purely internal business battles is particularly worrying.

That said, particularly away from the natural resource sector, those who persevere agree that, as long as the due diligence is thorough, preparations are systematic and a long-term view taken, the pain of the bureaucracy and concerns about corruption are worth the effort.

For Russian companies coming to the UK, the biggest problems tend to be either less enthusiasm for their IPOs than they had hoped for or, in the retail sector for example, greater competition than they expected.

How would you describe the business environment in Russia at the present time? How may it be compared with the UK?

Although the business environment in Russia has made huge strides since the turn of the century, it still has some way to go to catch up with highly developed economies. For example, the GDP of the City of London is bigger than that of the whole Russian Federation.

But if the pace of change in Russia is maintained the gap will narrow fast. It is helpful that, so far, Russia has been less affected by the worldwide financial crisis, which is being felt by the UK in particular.

As a matter of fact, on the eve of this crisis some British investors are choosing Russia in preference to other, currently less stable markets.

The UK is considered to be one of Russia's leading foreign investors. What is Russia's attractiveness for British businessmen?

The Russian economy has developed enormously in the last 10 years. British investors were originally attracted by the opportunities in natural resources.

Companies now see that Russia has great potential for further expansion and excellent rewards in other sectors.

Increasingly attention is focused on agriculture; the provision of services; the opportunities in the regions and the sharp rise in consumers' discretionary spending power.

The London stock market is well known to Russian companies who have recently been very active abroad. What would you say about the Russian stock market and other financial institutions?

There has been much talk in recent months of Russia – Moscow – becoming a new world international finance centre. But, to be honest, I believe it will be some years before Moscow can really compete with London, New York or Tokyo.

At a more basic level, the Russian financial institutions have to become more effective in recycling and encouraging domestic saving.

There is a need for a deep and transparent debt market for smaller companies and individual consumers.

In 2007 there were a lot of rumours about the deteriorating situation in Russo-British relations. This year again we have seen a wave of pessimistic talk about the business environment in Russia due to the Georgia conflict. Should all these political issues influence business relations from your point of view?

Businessmen cannot ignore the political situation. There is no doubt that recent political developments have raised the perceived political risk of doing business in Russia. That has an economic cost in deterring or deferring investment decisions and raising the cost of capital.

However, most businessmen do not toe a political line; they see business as the way in which, even at times of political tension, a vital dialogue can be maintained and profits made.

The vast majority of our members – and the Chamber itself – take this view.

There are a lot of differences between Russian and British systems of professional education. It is still quite difficult to talk about expanding business ties without building a professional staff base. How do British companies solve this problem? Does your Chamber play any role in the process?

Many British companies continue to be impressed by the general level of education of their Russian staff, but at the same time there is still a shortage of professionally trained staff. Those that have MBAs from recognised Western institutions are in great demand, and there is not yet a Russian equivalent.

For now British companies have to bring in some staff from abroad; but I remain convinced that this is an area where there will be significant improvements in the coming years.

Some significant educational establishments, such as Britain's Open University, are members of the RBCC, and we help them to foster relations with Russian institutions.

What is the main purpose of RussiaTALK? What results do you expect from the forum?

RBCC organises two major forums a year, one in London and one in Moscow (RussiaTALK) where senior business leaders get together to discuss the current state of the Russian economy, the state of business relations between our countries and the prospects for the future.

I expect open and frank discussion of the current situation, including the latest political developments, and an honest assessment of how business can play a crucial role in maintaining and developing contacts between Russia and the UK.

For more information visit www.rbcc.com

RBTH dossier

Mr. Eggar is President of the RBCC. He is Chairman of Nitol Solar limited and of Indago Petroleum plc. He was Chairman of Harrison Lovegrove&Co. Ltd, and Vice Chairman of ABN AMRO Corporate Finance. From 1979 to 1997 Mr.Eggar was a UK MP and a Minister from 1985 to 1996. Mr. Eggar holds a law degree from Magdalene College, Cambridge, and is a barrister
British investors are keeping the faith with Russia

Economic co-operation between Russia and the UK continues to thrive and consistently demonstrates resilience with regards to the complex political environment in bilateral relations. There are more than 1,000 UK companies operating in Russia today.

Bilateral trade volume has continued to rise at record levels in recent years and its volume more than doubled in five years since 2003. In 2007 alone it grew almost one fifth to reach \$16.6bn.

The UK also remained the number one investor in Russia. The current British investment to Russia grew in 2007 almost four times of that in 2006 to reach \$26.3bn.

The accumulated British investments in the Russian economy as of January 1, 2008, stood at \$29.3bn or 13.3pc of the total accumulated foreign investment. Russian retail, manufacturing and metallurgical industries, mining, transport and communications, property, all benefit from the British capital.

An increasing bilateral inter-action in the financial services' sphere is giving a vital and timely impetus to the economic ties between our countries contributing to their importance in the global financial markets.

All the three leading UK banks – HSBC, Royal Bank of Scotland and Barclays – followed British businesses into Russia last year and are currently building a network of corporate and prospective retail operations. In addition to the VTB and Vnesheconombank that have well-established presence in London, the number of the leading Russian financial companies that are licensed to operate on the UK stock market is already approaching a dozen.

Last year also proved breath-taking 2007 for Russian companies raising capital at the London Stock Exchange. Today there are more than 55 Russian companies both listed or trading their securities at the LSE, of which 14 joined the LSE last year and raised altogether \$18.2bn – more than half of all the money raised by the Russian businesses at the stock exchanges in 2007

The volume of trading of the Russian securities at the LSE jumped by 50pc and exceeded \$360bn in 2007. The three Russian companies that have raised capital at the LSE in spring 2008 are among the harbingers of the confidence returning to the markets.

As it was pointed several times by the Russian Ambassador to the UK, Yury Fedotov, the bilateral business ties continue to serve as a cornerstone of a wider Russo-British co-operation, which benefit both nations.

Copyright © Russia Profile 2008
October 20, 2008

SECTION: Global Russia Calendar

HEADLINE: **RBCC RussiaTALK Investment Forum**

LINK: <http://www.russiaprofile.org/page.php?pageid=Global+Russia+Calendar&print=yes>

BODY:

October 21-22, 2008

Moscow, Russia

The Russo-British Chamber of Commerce invites you to the landmark event for UK - Russia business in 2008:

21 October - RBCC Pre-Conference Reception The Gala Reception will take place at the Residence of the British Ambassador and will be co-hosted by HMA Anne Pringle and RBCC Chairman and President, The Rt Hon Tim Eggar. The event will host 250 representatives of the trade and investment community as well as leading figures from the government.

2. The RussiaTALK event - 22 October will include debates on the following topics:

"FUTURE TRENDS FOR FOREIGN INVESTORS IN RUSSIA" Hear from government speakers, leading investors and analysts on what makes Russia attractive for investment and what would be the future trends for FDI.

"RUSSIA'S BUSINESS EXPANSION ABROAD" The session explores Russia's economic and commercial progress, its current role and potential in the world economy, the areas for the future global expansion of Russian commerce and industry.

This senior RBCC Russia event provides an unrivalled networking opportunity for Russian and western business people, from experienced operators to those looking into an exciting new market.

For more details please visit our website or contact Maria Sarkisova at maria.sarkisova@rbcc.com

We look forward to seeing you at the biggest RBCC UK-Russia business event of the year!

Copyright © OAS 2008
October 22, 2008

HEADLINE: Congress Centre of the Russian Chamber of Commerce and Industry

LINK: <http://www.ogradyair.com/uk/diaryarticle.asp?DiaryID=90>

BODY:

The Russo-British Chamber of Commerce (RBCC) is the fundamental link between British and Russian business, with a strong tradition of providing high quality forums for key business decision-makers from both countries.

The annual Moscow RussiaTALK Investment Forum is the RBCC's flagship event and takes place each year in October at the RF Chamber of Commerce and Industry.

Copyright © External Economic Relations 2004-2008
October 14, 2008

SECTION: Events & Conferences

HEADLINE: **RBCC RussiaTALK 2008 - 21-22 October, Moscow**

LINK: <http://www.eer.ru/en/forums/3499.html>

BODY:

The Russo-British Chamber of Commerce (RBCC) is the fundamental link between British and Russian business, with a strong tradition of providing high quality forums for key business decision-makers from both countries.

The annual Moscow RussiaTALK Investment Forum is the RBCC's flagship event and takes place each year in October at the RF Chamber of Commerce and Industry.

Tuesday 21 October 2008
Evening Gala Reception

19.30 – 21.30 Reception
British Ambassador's Residence, Moscow
9 Bolshoy Nikolopeskovsky pereulok, Moscow

WELCOME ADDRESSES BY BRITISH AMBASSADOR MRS ANNE PRINGLE AND RBCC PRESIDENT RT HON TIM EGGAR

The reception provides a unique opportunity for wideranging and effective networking with 250 guests in attendance.

Guests will have a unique opportunity to spend the evening at the British Ambassador's Residence.

Wednesday 22 October 2008

RussiaTALK Investment Forum

Congress Centre of the Russian Chamber of Commerce and Industry

08.45 Registration and morning coffee
09.30 Welcome and keynote speeches
10.00 Debate one
11.30 Coffee break
12.00 Debate two
13.45 Members Lunch
14.00 RBCC VIP Lunch for speakers and sponsors,
The Ritz-Carlton Moscow,
Jeroboam Restaurant

The programme is outlined in more detail on the following pages.

Wednesday 22 October 2008

Investment Forum

Congress Centre of the Russian Chamber of Commerce and Industry

09.30 – 10.00 Welcome Addresses and Plenary Session

WELCOME ADDRESSES – Invited Speakers:

Evgeny Primakov – President, RFCCI (confirmed)

HRH Prince Michael of Kent GCVO, Patron, RBCC (confirmed)

PLENARY SESSION

The Plenary session opens the day's debates, providing an opportunity for all delegates to hear senior level executives speak.

This session explores Russia's economic and commercial progress and a view on the current state of Russo-British relations.

Invited Speakers:

Tim Eggar – Chairman and President, RBCC

Alexander Zhukov – Deputy prime Minister RF

HE Yury Fedotov – Russian Ambassador to the UK

Mrs Anne Pringle CMG – British Ambassador to the RF

RussiaTALK 2008 will continue the successful format of previous years, with two panels of debates amongst influential governmental and business people on topics covering foreign direct investment and global trade. It is a highly effective forum for senior level business and political figures to engage in an absorbing and intellectually challenging discussion.

The following themes have been identified by the RBCC as being of special interest:

10.00 – 11.30 Debate 1

FUTURE TRENDS FOR FOREIGN INVESTORS IN RUSSIA

CHAired BY: Jonathan Charles, BBC World Correspondent

Invited speakers:

Arkady Dvorkovich, Aide to the President of Russia and Sherpa to the G8

Richard Spies, President, BP Russia

Andrei Bougrov, Managing Director, Interros, Chairman of the Board, OGK-3

Chris Finlayson, President & Country Chairman Russia, Shell Exploration & Production Services (RF) B.V.

Stuart Lawson, CEO, OOO HSBC (RR)

Sir Richard Branson, CEO Virgin Group

Michael Shipster, International Director, Rolls-Royce

Steve Strachota, Managing Director, Cadbury Russia & CIS

Bleddyn Phillips, Global Head of Oil & Gaz, Clifford Chance CIS

Andrew Cranston, Senior Partner, KPMG Russia and the CIS

12.00 – 13.30 Debate 2

RUSSIA'S BUSINESS EXPANSION ON DOMESTIC AND GLOBAL MARKETS

CHAired BY: Evgeny Kiselev, Political Observer, RTVi and "Ekho Moskvyy" Radio

Invited speakers:

Andrey Kostin, President and Chairman of the Board, VTB

Alexey Savatyugin, Head of Department of Financial Policy, RF Ministry of Finance

Alexander Medvedev, Deputy Chairman of the Board, Gazprom

German Gref, Chairman & CEO, Sberbank

Sergey Polonsky, Chairman, MIRAX Group

Boris Titov, Chairman, Delovaya Rossiya

Rostislav Ordovsky-Tanayevsky Blanco, CEO, Rostik Group

Jon Edwards, Head of CIS, Central & Eastern Europe, London Stock Exchange

Bob Foresman, Deputy Chairman, Renaissance Capital

Vyacheslav Kopiev, Deputy Chairman, Sistema

Karl Johansson, Managing Partner, Ernst & Young, CIS

13.00 Panel Discussion; Q & A

13.30 Brad King, Director, HMS Belfast

13.45 RBCC Members' Lunch, RFCCI

Following a productive morning, participants are invited to attend the RBCC Members' Lunch. This gathering rounds off proceedings and with about 300 people expected it is a valuable opportunity for further networking and discussion of the topics raised throughout the Investment Forum.

14.00 RBCC VIP Lunch
The Ritz-Carlton Moscow
Jeroboam Restaurant

The VIP Lunch is an exclusive event for up to 30 guests with a senior keynote speaker. Attendance at RBCC VIP Lunches is by invitation only and places have become sought after by senior business representatives.

The VIP Lunch offers sponsors and selected senior level guests a convivial setting with a suitable speaker to provoke discussion.

WE LOOK FORWARD TO WELCOMING YOU AT THE RBCC RussiaTALK 2008 INVESTMENT FORUM!

For more details please contact Maria Sarkisova at maria.sarkisova@rbcc.com or by phone +7 (495) 961 21 60.

Registration, which covers all elements of the programme, is:

Special price provided if you register

before 30 September 2008: if you register

after 30 September 2008:

RBCC Members RU 7500 +VAT RU 10000 +VAT

Non-Members RU 13500 +VAT RU 18000 +VAT

Invoices will be issued on receipt of registrations. Payment of invoices may be made:

In Russia: in Dollars or Roubles by bank transfer;

In the UK: in Sterling by bank transfer, by cheque, by credit card.

Registered delegates may cancel their registration and receive a refund of registration fees subject to an administrative charge of RU 2500 (including VAT) per delegate providing they notify the RBCC in writing prior to 1 October 2008. Cancellations received after this date will not be accepted and delegates will be liable for the full registration fee. The administrative charge will be payable for cancellations regardless of whether payment has been made. The RBCC reserves the right to cancel the event if it deems necessary and will, in such an event, make full refund of any registration fees already paid. The RBCC assumes no liability for changes in programme date, content, speakers and venue.

Copyright © dealReporter EEMEA 2008
October 22, 2008

HEADLINE: TNK-BP IPO possible in 2009, company is able to make acquisitions despite current market, BP Russia president says

BYLINE: Alexander Cajcyc and PK Semler in Moscow

LINK: <http://www.dealreporter.com>

BODY:

An IPO of TNK-BP, the private Russian company jointly controlled by BP and a consortium of Russian shareholders, may take place in the foreseeable future, BP of Russia president Richard Spies said.

Speaking to this news service at a Russo-British Chamber Commerce event in Moscow, Spies said that stable market conditions and regulatory approval by the Russian government are the two pre-conditions for a TNK-BP IPO.

Spies said an TNK-BP could be possible in the later half of 2009. He said that TNK-BP can only float a maximum 20% stake of the company, of which 10% would be from BP and 10% from its Russian partners.

Russian minority shareholders Alfa Group, Access Industries and Renova Group must decide what part of their 50% stake will be publicly placed, and then BP will place an equal amount from its 50%, Spies said.

Separately, Spies said BP and TNK-BP have cash to finance eventual acquisitions, but did not say whether specific companies had already been targeted.

However, he added that the investments will depend on the companies' cash flows, which is driven by crude prices and taxation levels.

Spies said the company is still in the process of appointing a new CEO but would not confirm whether former Norilsk Nickel CEO Denis Morozov is one of the candidates for the job.

He said TNK-BP expects to name a new CEO to TNK-BP by 1 December 2008, as stipulated by TNK-BP's shareholders agreement.

Copyright © dealReporter EEMEA 2008
October 22, 2008

HEADLINE: Cadbury not planning acquisitions in the CIS region, says managing director

BYLINE: Alexander Cajcyc and PK Semler in Moscow

LINK: <http://www.dealreporter.com>

BODY:

Cadbury not planning acquisitions in the CIS region, says managing director

Main article Cadbury (LSE: CBRY, NYSE: CBY), the listed UK confectionary producer, does not plan any further acquisitions on the CIS market, Steve Strachota, Managing Director for Eastern Europe said to this news service at a conference organized by the Russo-British Chamber of Commerce.

Strachota said that the company's development strategy is oriented on organic growth. The confectionary market in the CIS countries is already divided among large players and consolidated. Therefore, no opportunities for mergers and acquisitions are present despite the financial crisis and a general decline in the costs of assets, Strachota said.

He also said that the company is not interested in diversifying its business by, for instance, acquiring the mineral water and baby food business spun off from Lebedyansky.

Copyright © dealReporter EEMEA 2008
October 22, 2008

HEADLINE: Wimm-Bill-Dann buy-back, capital increase plans on indefinite hold; no plans to sell juice business, says chairman

BYLINE: Alexander Cajcyc and PK Semler in Moscow

LINK: <http://www.dealreporter.com>

BODY:

Wimm-Bill-Dann (LSE: WBD, MICEX: WBDF) has put any plans to either launch a share buy-back or consider a capital increase on indefinite hold, said David Yakobashvili, WBD chairman. The company is a listed Russian consumer food group.

Speaking exclusively to this news service at a conference organized by the Russo-British Chamber of Commerce in Moscow, Yakobashvili said the company has decided to temporarily shelve any plans for either a share buyback program or capital increase due to the volatile state of the financial markets.

However, he said WBD could, under the right conditions, consider looking at raising funds through a convertible bond issue.

He also said that the company has no plans to sell its juice business, as the business is an integrated part of WBD. There had been speculation that WBD was considering selling the juice business to Coca-Cola.

According to Yakobashvili, his company has not experienced any serious difficulties from the recent financial crisis. The company has little short-term debt and is generating enough cash to finance current operations. Still, the company has no plans to adjust its investment strategy to make additional acquisitions of assets which may become cheap due to the crisis.

He also said that WBD is not interested in acquiring the baby food business that had been spun off from Lebedyansky, as the business is too small to fit into WBD's portfolio.

Yakobashvili said that, while the group is still looking at buying opportunities in the CIS, it could look at targets in CEE countries such as Poland. He said WBD was not interested in making buys in China.

Copyright © dealReporter EEMEA 2008
October 22, 2008

HEADLINE: OGK-3 spin-off has not been taken to Norilsk Nickel board, no mandatory offer foreseen in Rusal/Interros deal, chairman says

BYLINE: PK Semler

LINK: <http://www.dealreporter.com>

BODY:

The Norilsk Nickel board of directors has yet to hold a meeting to discuss the possible spin-off of its listed utility group OGK-3, OGK-3 chairman and Norilsk board member Andrei Bougrov said.

Bougrov said while Norilsk shareholders Interros and Rusal have been holding talks regarding a possible spin-off of OGK-3, the move to go ahead with a pro-rata spin-off of OGK-3 has not been raised by the Norilsk Nickel board of directors.

He also said talks regarding the possible acquisition of Rusal's stake in OGK-3 by Interros or vice-versa do not foresee the launching of a mandatory offer to OGK-3 minorities.

"The mandatory offer is only exercised if you reach thresholds of 30%, 50% and 70%," he said.

He also said he does not see any reason why Interros or Rusal should launch a public offer for OGK-3 if either one were to acquire the others stake in the company.

Norilsk controls a 68% stake in OGK-3, while Interros controls a 30% stake and Rusal holds a 25.1% stake in Norilsk.

Bougrov, who is also on the board of Rosbank, said he had no knowledge whether Rosbank intends to back its irrevocable guarantee for the mandatory offer launched by Onexim for TGK-4.

One major shareholder of TGK-4 would be interested in acquiring a stake in OGK-3 if and when Onexim goes ahead with its public offer for TGK-4, a fund manager said.

The fund manager said OGK-3 is extremely undervalued and represents one of the best buying opportunities on the domestic power generation sector. Bougrov was speaking this news service at a Russo-British Chamber of Commerce conference in Moscow.