

## **Kommersant: Igor Sechin withdraws an asset from an American bank**

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**The government is assembling a team to execute Russian companies' acquisitions of foreign assets. Head of Russian office of the US investment bank JP Morgan Natasha Tsukanova was hired as chief adviser on expansion into Western markets. Under her management the bank was lead arranger of Russia's largest IPO (Rosneft's), Sberbank's rights issue, adviser on RAO UES reorganisation, Surgutneftegaz' acquisition of Hungarian MOL. For the sake of Vice Premier Sechin's proposal Ms. Tsukanova left JP Morgan where she worked for 12 years.**

Top managers of several large investment banks told Kommersant that Managing Director and head of JP Morgan investment bank in Russia and the CIS since 1997 Natasha Tsukanova had left the bank. "She left JP Morgan at the end of April", said one of the sources close to the bank. He said that the decision was due to "personal reasons". "Even during her last days with the bank she was signing new mandates, and the top JP Morgan management tried to convince her to stay", he also said. Ms. Tsukanova confirmed that she had left JP Morgan. "For now I would not want to comment on what I will be doing later on", she noted. JP Morgan press service also refused to comment on the reasons of Ms. Tsukanova's resignation. According to a source, her replacement has not been found yet: after Ms. Tsukanova's resignation her responsibilities were distributed between several investment bankers.

According to several sources, Ms. Tsukanova received an offer from the government: the ex-JP Morgan director will be advising the government and Russian companies on acquisition of Western assets. For this purpose Ms. Tsukanova is creating her own company. "Its core business will be to advise Russian government on deals related to international expansion", said a source familiar with negotiations. According to him, there already are about five projects involving acquisition of foreign oil and gas and energy assets, and Ms. Tsukanova will act as adviser on their implementation. A source in the government office is aware that Ms. Tsukanova was having negotiations with the government's representatives. According to him, "this idea was recently discussed at a closed meeting held by Vice Premier Sechin who thinks highly of Ms. Tsukanova's business acumen" as he knows her from Rosneft's IPO. The government's office did not give official comments on this.

Russian companies' expansion to foreign markets is part of Russia's international energy policy. The topic was recently discussed at a meeting held by president Medvedev in mid February when Sakhalin-2 project was launched, said a source in the government. The President made a special emphasis on the need of a "government coordinated basis" in the sphere. Russian companies' acquisition of assets abroad was mentioned by Rosneft head Sergei Bogdanchikov and Igor Sechin who is in charge of fuel and energy complex in the government and chairman of Rosneft's and InterRAO UES Board of Directors. Sechin calculated that foreign ownership in domestic oil and gas companies was 25%, but there are no Russian companies at all in the list of the top 100 holders of foreign assets. Therefore it is a priority to make sure that Russian companies have access to foreign reserves, refineries and retail assets, the Vice Premier said.

Natasha Tsukanova started to co-operate with the government very early in her career. In 1992, she worked in the Russian Privatisation Centre under the Ministry of State Property. To give an example, she participated in organisation of voucher auction to privatise Yuganskneftegaz, YUKOS' key asset. In JP Morgan, Natasha Tsukanova took part in developing RAO UES reorganisation plan

and its implementation. In 2006, JP Morgan was among arrangers of Rosneft's US\$10.7bn IPO, the largest ever public offering in the Russian market. JP Morgan participated in Sberbank's rights issue, acted as financial adviser of Italian ENI and Enel on acquisition of YUKOS' oil and gas assets and their further resale to Gazprom. This year, the bank participated in OMV's sale of its stake in MOL to Surgutneftegaz. In the last few years, JP Morgan has been holding top ECM and M&A rankings.

"Natasha Tsukanova has all the qualities and professional skills — both good and bad — required to be a true Wall Street investment banker", noted Chairman of Troyka Dialog Board Ruben Vardanyan. "Natasha made this decision because she wanted to do something different from what she was doing for the last 12 years," noted adviser to FC Otkrytie general director Tatyana Udaltsova. "She has reached certain point in her career when different tasks become attractive and one wants to make decisions on a totally different level". "It was not easy to make the decision for her but the government's offer played a key role," noted someone who knows Ms. Tsukanova. "Within JP Morgan, due to complicated internal approval processes of an American bank she could not have the degree of discretion she will now have".