

SOLIKAMSK'S US DISTRIBUTION SWAPS HANDS AGAIN

BY PHIL BURGERT

■ CHICAGO — The ins and outs of who is in charge of selling metal from Russia's Solikamsk Magnesium Works in the U.S.A. took another turn last week when the Magnesium.com website announced it was taking over a distributorship for Solikamsk's magnesium finished and semi-finished wrought products and some specialty alloys.

The Web site announcement said Magnesium.com Inc., a Delaware corporation, had agreed to purchase SMW (USA) Inc., the North American operations of Solikamsk.

The announcement follows by nine months a transfer of rights to sell the bulk of Solikamsk's pure magnesium and all magnesium alloys in the U.S. market to Swiss-based trader Solimin Magnesium Corp., which is owned 50 percent by Solikamsk, from the Cometals trading unit of Dallas-based Commercial Metals Co.

Fort Lee, New Jersey-based Cometals retained the rights to handle Solikamsk's die-casting alloys and selected pure magnesium contracts in the U.S.A. at that time.

Confusion over who was representing Solikamsk in the U.S.A. had started earlier in 2002 when Solikamsk announced Cometals would market its products.

Sources said last November that the Solimin-Solikamsk agreement initially would last one year, but could be renewed

if Solimin met sales targets.

Calls to the telephone number listed for contacts at Magnesium.com seeking clarification of details of the new agreement weren't returned. A Springfield, New Jersey, answering service operator at the number said the query would be forwarded by mail to Magnesium.com contacts in Colorado and Russia.

The answering service operator also confirmed that the telephone number was shared by Magnesium.com, which describes itself as an online magnesium information service founded in 1998, and Allin Blitz & Co., Wayne, New Jersey, a magnesium wheel manufacturer.

Maxim Dlugy, a senior manager of the British Virgin Islands-based Russia Growth Fund and former world junior chess champion who was named Solikamsk's marketing manager early last year, was also listed as president and principal of Allin Blitz & Co. last December when he appeared along with former chess world champion Garry Kasparov at the Geneva, Switzerland, press club. Kasparov is also a senior RGF advisor.

RGF bought a 36-percent stake in Solikamsk in 2000 and subsequently said it was planning to sell magnesium on the internet via Magnesium.com.