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## Russia Denies Entry to British Fund Manager

White, Gregory L. **Wall Street Journal, Eastern edition** [New York, N.Y] 18 Mar 2006: B.5.

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### ▣ Abstract (summary)

A spokesman for the British embassy said neither it nor Mr. [William Browder] has been given an official explanation, even when the issue was raised by U.K. Foreign Secretary Jack Straw with his Russian counterpart. Russia's Foreign Ministry couldn't be reached for comment late Friday. Russia has in the past denied visas to some foreign businessmen and investors, though Mr. Browder said he'd never had a problem before.

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### ▣ Full Text

MOSCOW -- In a move that could chill one of the world's hottest stock markets, Russian authorities have denied entry to the manager of the largest foreign investor in local stocks, and rejected calls from the United Kingdom government to restore his visa.

Hermitage Capital Management, which has \$4 billion in Russian stock, said Chief Executive William Browder, a British citizen, was denied entry in mid-November and hasn't been able to return since. Speaking by phone from London, Mr. Browder said, "We've received a very sympathetic response from the senior Russian government officials we know and expect this will be resolved soon."

A spokesman for the British embassy said neither it nor Mr. Browder has been given an official explanation, even when the issue was raised by U.K. Foreign Secretary Jack Straw with his Russian counterpart. Russia's Foreign Ministry couldn't be reached for comment late Friday. Russia has in the past denied visas to some foreign businessmen and investors, though Mr. Browder said he'd never had a problem before.

The visa denial comes as Russia's state companies have courted international investors. In January, the government lifted limits on foreign ownership of state-controlled gas giant OAO Gazprom, triggering a huge rally that pushed the company's market capitalization over \$200 billion for a time. Russia also is planning an initial public offering of stock later this year for state oil company OAO Rosneft, a deal that officials say could raise as much as \$20 billion, making it the world's largest IPO.

Mr. Browder has been one of the most outspoken supporters among foreign investors of Russian President Vladimir Putin. He argued tirelessly that the Western media and critics of the Kremlin were misreading the situation and that Mr. Putin's administration was good for investors. He was defending the Kremlin as recently as January, when Mr. Browder spoke at the World Economic Forum in Davos, Switzerland.

"This is something that could be taken as bad news," Roland Nash, strategist at Moscow brokerage firm Renaissance Capital, said of the news of the denial. "I've had a couple of fund managers call up saying, 'I can't believe this is happening.' "

But even as he praised Mr. Putin, Mr. Browder was critical of the management of many of the companies he invested in, including state-owned giants like Gazprom and OAO Sberbank, the national savings bank. "He was one of the very few minority investors, foreign or Russian, who has really been willing to stick his neck out," said Mr. Nash.

His criticisms often met harsh responses from the companies. Sberbank, for example, took a Hermitage analyst to court for criticizing its financial practices. Gazprom, which is Hermitage's largest holding, has for years sabotaged Mr. Browder's efforts to get a representative on its board.

Hermitage said that despite the visa denial, its core Hermitage Fund hasn't been affected and is up 43% since Mr. Browder was first denied entry.