

Glencore reveals more IPO rewards

Javier Blas, Commodities Editor FEBRUARY 17 2012

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The extent of the wealth created by Glencore's [initial public offering](#) has been highlighted afresh, with the company identifying a further seven executives each holding stakes of more than \$500m.

The world's largest commodities trading house had [disclosed the wealth of Ivan Glasenberg and his five most senior lieutenants](#) ahead of the IPO last year. On Thursday, it revealed the identity of a further group of executives holding stakes of between 1 per cent and 3 per cent.

The men, named in a regulatory notice to the London Stock Exchange, are almost completely unknown outside the commodities trading world but have worked for the trading house for between 10 and 20 years.

Glencore said Steven Blumgart, [who will be leaving the company this year](#) after co-heading its aluminium business, owns a 1.25 per cent stake, valued at roughly \$575m at current share prices.

His colleague Gary Fegel, head of aluminium, owns a 2.24 per cent stake worth slightly more than \$1bn.

Chris Mahoney, head of agriculture and a member of a British rowing crew that won silver in the 1980 Moscow Olympics, is nearly a billionaire, holding a 2.08 per cent stake amounting to \$960m.

The huge paper gains for the employees came as Glencore abandoned partnership, and the privacy that goes with it, for a flotation that exposed it to public scrutiny in return for the financial firepower to participate in the consolidation of the natural resources industry.

The trading house has proposed a [merger with Xstrata](#), the London-listed miner, to create an integrated group valued at \$90bn.

The windfall for Glencore's employees prompted some investors to question whether the IPO allowed staff to cash in at the top of the commodities cycle.

The overnight paper gains for senior employees, some still in their 30s, drew parallels with Goldman Sachs' flotation in 1999.

The other executives holding \$500m stakes were revealed as Nick Popovic, chairman of its subsidiary Kazzinc, who has a stake valued at \$620m; Christian Wolfensberger, a Swiss national who heads the trading house's newly created iron ore department and has a \$580m holding; and Luis Álvarez, a Spanish national who trades crude oil in London and controls a stake of \$550m.

Stuart Cutler, a South African national and head of ferrochrome, has a stake valued at \$520m.

Glencore [revealed the names of those senior executives](#) holding stakes of more than 3 per cent, including Mr Glasenberg, chief executive, ahead of the IPO.

The group included Daniel Maté, head of zinc, Telis Mistakidis, head of copper, Tor Peterson, head of coal, and Alex Beard, head of oil. Steven Kalmin, chief financial officer and board member, was revealed to have a stake of less than 3 per cent.

The executives cannot realise their paper wealth immediately as they are subject to lock-in periods of up to five years.