

Transcontainer Can Sell 35% in IPO

By [The Moscow Times](#)

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The government has approved the long-awaited initial public offering of an almost 35 percent stake in freight operator Transcontainer, clearing the way for the state rail monopoly Russian Railways to raise up to \$525 million.

The shares will be sold "at a price no lower than the market [value], determined on the basis of an independent valuation," according to government documents published Friday.

Russian Railways may approve the IPO plans of its unit at a board meeting next week, opening the door for Transcontainer to start a roadshow before the end of the month and to close the books by Nov. 15, sources close to the float plans have told Reuters.

Sources have said Transcontainer is valued at \$1.2 billion to \$1.5 billion, meaning that the 35 percent minus two shares stake that Russian Railways is putting up for sale could fetch \$420 million to \$525 million.

Russian Railways — itself a target of the state's privatization program — owns 84.9 percent

of Transcontainer, while the European Bank for Reconstruction and Development has 9.2 percent. The rest belongs to Russian and foreign investment funds.

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