

Globaltrans to Take Over MMK-Trans

By [The Moscow Times](#)

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Freight firm Globaltrans Investment is to buy rail freight operator MMK-Trans for \$225 million cash, the latest in a series of deals in an industry opening up to competition.

Globaltrans is buying the asset from a subsidiary of Magnitogorsk Iron & Steel Works, or MMK, and is assuming net debt and working capital of approximately \$110 million, it said on Wednesday.

The deal also envisages signing a five-year shipping contract to transport at least 70 percent of MMK cargoes.

Russia's freight market, previously dominated by state-owned monopoly Russian Railways, has been liberalizing, which is driving deals.

Oil-to-telecoms conglomerate Sistema in September struck a \$700 million deal to buy railway freight operator SG-Trans.

Russian investment and trading group Summa this month closed a deal to buy transport group Fesco, which controls over 20 percent of rail group Transcontainer, after steel magnate Vladimir Lisin approved a deal to buy rail cargo operator Freight One.

NefteTransService agreed to buy rail operator Evraztrans from Evraz and said it was seeking more deals.

MMK-Trans is 50 percent owned by MMK Group, 37.5 percent owned by Globaltrans CEO Sergei Maltsev and its chairman Alexander Eliseyev and 12.5-percent-owned by MMK-Trans management.

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