

# Major Rail Operator Eyes An Initial Public Offering

By [The Moscow Times](#)

February 18, 2013

**The**  **Moscow Times**

Russia's biggest private rail operator, UCL Rail, is picking banks to conduct its first public placement, company insiders said Monday.

The company, controlled by billionaire Vladimir Lisin, plans to conduct an IPO in the spring. Sources did not specify the size of the company's stake to be sold, nor the name of the exchange that will hold the public placement, Vedomosti reported.

The IPO was first mentioned in May 2012 by Oleg Bukin, head of UCL Rail's subsidiary First Cargo Company. By the end of 2012, First Cargo Company's board had decided to conduct the placement in the first half of 2013.

A spokesman for First Cargo Company declined to comment on the news.

Russian Railways estimated last fall that a 25 percent stake in the First Cargo Company was

worth about 45 billion rubles (\$1.49 billion), putting the price of the entire company at 180 billion rubles.

Mikhail Burmistrov, head of the Infoline Analytics research firm, puts the price of another one of UCL Rail's subsidiaries — the Independent Shipping Company — at 210 billion rubles.

Burmistrov thinks UCL Rail will float no more than 20 percent of its stock, which will allow Lisin to obtain a reliable estimate of his company's market value in order to restructure corporate debt.

Konstantin Yuminov, a financial analyst at Raiffeisenbank, expressed skepticism that UCL Rail's IPO would be conducted in April.

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