

# Pharmsynthez Plans to Raise \$16M in IPO

By [The Moscow Times](#)

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Pharmaceutical company Pharmsynthez plans to raise 500 million rubles, or \$16.2 million, in a stock market float this November, delivering a rare boost to the country's flagging IPO market.

The company said Monday that it would use the raised funds to build a new production plant near St. Petersburg, make strategic acquisitions overseas, test new medicines and market them in Europe.

"There is enormous potential for growth in innovative medicine production in Russia, and Pharmsynthez is extremely well-placed to capitalize on that growth," chief executive and 25 percent owner Dmitry Genkin said in a statement.

The remaining 75 percent in the company belongs to an international private equity fund, Amber Trust, set up for investment into Russia and the Baltic countries.

A source familiar with the deal said that about a 30 percent stake in the group could be floated in the initial public offering.

Russian companies were expected to make it a bumper year for IPOs after aluminum giant United Company RusAl raised more than \$2 billion in Hong Kong in January, but market uncertainty has caused many potential candidates to cancel or postpone their plans.

President Dmitry Medvedev has put the pharmaceutical industry at the heart of his quest to modernize the economy away from oil and gas, introducing measures to cut down on imported medicines and boost local production.

Pharmsynthez, which already runs a plant near St. Petersburg, more than doubled first-half revenue to 130.8 million rubles from 62.7 million rubles in the first half of last year. The bookrunner for its IPO is Russian broker Alor Invest.

*(Reuters, MT)*

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