

Transcontainer Aims for \$412M IPO

By [The Moscow Times](#)

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A Transcontainer handout showing a worker moving rail containers. The firm wants to float 40 percent of its shares.

Russian Railways unit Transcontainer said Friday that it is planning to float 5.6 million shares, or 40 percent of the company, at no less than 2,311 rubles each. This would raise 12.8 billion rubles (\$412 million).

The total value of the company would then be more than 32.1 billion rubles.

Transcontainer hired five banks, including JPMorgan Chase, Morgan Stanley and Troika Dialog to organize its initial public offering.

Russian Railways, or RZD, also plans an IPO of freight division Freight One. Transportation Minister Igor Levitin said Friday that the unit might be sold by April 2011.

For Transcontainer, RZD said it was considering London and Moscow for the float, indicating that it had shelved an earlier plan to follow RusAl to Hong Kong. The selling shareholders

might be Transcontainer itself, RZD, and, possibly, minority shareholders Moore Transcontainer and GLG Emerging Markets Special Situations Fund or their affiliates. The European Bank for Reconstruction and Development purchased 15 percent of Transcontainer two years ago.

The much-anticipated float of Transcontainer has been planned since the beginning of the year as part of a multibillion-dollar fund-raising program by the rail monopoly to update its aging infrastructure. Transcontainer currently manages 60,000 containers and 20,000 rail cars.

Another IPO may come from technology group Monocrystal, which is looking to raise \$250 million in a Moscow float, sources told Reuters. Monocrystal makes synthetic sapphire for energy-saving products like solar cells and is based in southern Russia.

The burst of IPO activity will come as welcome news to Russia's investment community, which has seen capital markets activity all but dry up since \$21 billion was raised in 2007.

A number of companies canceled or postponed IPOs earlier this year as markets took a tumble, and a revival was not expected until 2011.

(Reuters, Interfax)

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