

Mail.ru IPO Filled Near High Price

By [The Moscow Times](#)

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Mail.ru Group, a Russian investor in Facebook, has buyers for all the stock in its \$876 million London initial public offering close to the top of the price range, two people familiar with the IPO said Tuesday.

The banks arranging the sale — including New York-based Goldman Sachs Group, JPMorgan Chase and Morgan Stanley as well as VTB Capital — received orders for the shares toward the high end of the \$23.70 to \$27.70 range, according to the people, who declined to be identified because the information is private. The deadline for taking orders in the offering of 31.6 million Global Depositary Receipts is Nov. 8, one of the people said.

The offering from Mail.ru, partly owned by billionaire Alisher Usmanov and South Africa's Naspers, comes after share sales by emerging market companies attracted more money than industrialized nations for the first time in at least a decade last quarter. Moscow-based Mail.ru's revenue will climb 51 percent this year, while Russia's economy will grow at almost twice the pace of the United States in 2011, estimates compiled by Goldman Sachs and Bloomberg show.

“It’s a bet on potential growth,” said Josef Schuster, the Chicago-based founder of IPOX Capital Management, which oversees \$3 billion. “First it’s an expanding Internet company in a major emerging market; second, it has stakes in hot Internet companies like Facebook.”

Leonid Solovyev, a spokesman for Mail.ru in Moscow, declined to comment.

“Mail.ru is especially attractive to foreign funds as you rarely see a good quality Russian Internet company in the market,” Schuster said. “It’s scarcity value like what we saw in MakeMyTrip Ltd.’s IPO.”

MakeMyTrip of Gurgaon, India, the country’s largest online travel company, surged 89 percent on its first day of Nasdaq Stock Market trading in August after completing the first U.S. IPO by an Indian company since 2006.

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