

Alrosa Preparing \$3Bln IPO

By [The Moscow Times](#)

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Fyodor Andreyev has yet to choose a city for the diamond producer's IPO. **Maxim Stulov**

Alrosa, the world's biggest diamond company by production last year, plans to raise as much as \$3 billion in an initial public offering in 2012, according to chief executive Fyodor Andreyev.

"My personal target is to prepare the company so we'll be ready to do an IPO in the middle of next year," Andreyev said in an interview.

Alrosa is studying Britain, Canada, Hong Kong and Russia as locations, he said.

State-owned diamond monopoly Alrosa will sell a stake of about 20 percent to 25 percent and use the money to fund expansion and help repay its \$3.2 billion of debt, Andreyev said. "Big banks like Goldman Sachs, JPMorgan, Morgan Stanley and VTB" will be invited to tender as advisers, he said.

A sale would make Alrosa by far the biggest listed diamond company. That may allow Alrosa to tap pent-up investment demand after rough diamonds rose as much as 90 percent from a

trough during 2009. Investors are unable to directly trade diamonds, which are only sold through a closed network of dealers or by retailers.

Alrosa, based in Siberia's Sakha region, produced 34 million carats (220,000 ounces) of diamonds last year.

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