

\$500M IPO Postponed by Russian Helicopters

By [The Moscow Times](#)

May 10, 2011

The  Moscow Times

State-controlled Russian Helicopters has delayed a \$500 million London share flotation after failing to fill its order book, two sources close to the situation said, delivering a blow to the state's privatization plan.

The sale would have been the first initial public share offering of a government firm in 2011 and given foreign investors a rare chance to invest in Russia's defense industry.

The firm's books were due to close Tuesday, but its investor roadshow overlapped with that of commodity trader Glencore's much-anticipated London and Hong Kong listing, which saw investors put in orders for all \$11 billion worth of shares on the first day.

"There is a lot of attention on Glencore, and getting attention on small-mid cap IPOs right now is difficult. It is difficult to get people to care," said one equity capital markets banker.

A spokesman for Russian Helicopters declined to comment.

The mixed track record for Russian companies attempting to list so far this year has also made investors cautious, the banker added.

Six Russian firms have now pulled out of IPOs after releasing Intention to Float documents, while just four have gone ahead with a share placing, raising just over \$2 billion.

Russian Helicopters, a holding company for 11 regional manufacturers that trace their origins to the early years of the Soviet Union, made just over \$200 million profit in 2010 and has been winning new orders from home and abroad.

Bank of America Merrill Lynch, BNP Paribas and VTB Capital were the joint organizers of the planned IPO.

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