

Yandex IPO Getting Under Way in New York

By [The Moscow Times](#)

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Yandex filed on Monday to raise up to \$1.1 billion in an initial public offering that would take advantage of demand for Internet stocks coming to U.S. exchanges.

The company's Dutch parent, Yandex NV, filed with the U.S. Securities and Exchange Commission on Monday for an IPO of 52.2 million Class A shares to be sold at \$20 to \$22 each.

The filing came just hours after LinkedIn, a social networking site for business professionals, released details of its IPO plan, expecting to raise up to \$274.4 million.

Yandex's IPO comes just six months after a \$1 billion London float by Internet investing company Mail.ru Group and days after the shares of Renren, one of China's biggest social networking companies, rose nearly 30 percent in their debut on the New York Stock Exchange after raising \$743.4 million.

Yandex.ru, started in 1997, generated 64 percent of all search traffic in Russia last year, according to the filing.

Apart from Mail.ru, which owns a 2.38 percent stake in social networking giant Facebook, the list of Yandex's principal rivals is topped by global search engine giant Google. Google introduced a Russian-language search engine in 2001 and opened its first Russian office in 2006, but it still trails Yandex in the country with about 22 percent of market share, Yandex said in the filing, citing statistics from another Internet company, Liveinternet.ru.

In the customarily extensive list of risk factors involved in investing in the IPO, Yandex, Russia's most popular Internet search engine, warned it may be subject to "aggressive application of contradictory or ambiguous laws or regulations," including tax regulations and license requirements. It also said it may be required to do a dual listing in Russia and face aggressive takeover efforts by "well-funded, well-connected financial groups and so-called 'oligarchs,'" which it may not be able to thwart.

Yandex, whose U.S. base is in Palo Alto, California, plans to use IPO proceeds to invest in technology infrastructure, especially new servers and data centers, and for possible acquisitions of or investments in technologies, teams and businesses.

Founders Arkady Volozh and Ilya Segalovich plan to sell 4.1 million and 820,000 shares, respectively, decreasing their stakes slightly to 20 percent and 4 percent. Yandex's biggest shareholder, Baring Vostok Private Equity Funds, plans to sell 6.2 million shares, but its total voting power would actually increase by about 1 percentage point to 26 percent.

The search engine operator plans to list its shares on the Nasdaq under the symbol YNDX. Morgan Stanley, Deutsche Bank and Goldman Sachs are leading underwriters on the offering.

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