

Utnet to Promote IPO, PhosAgro Booked Solid

By [The Moscow Times](#)

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Online retailer Utnet.ru will start a roadshow Tuesday for a planned initial public offering in Moscow, seeking to tap into recent demand for Russian Internet stocks.

The company said it would sell 2 million shares, or 10 percent of its equity, at between 145 and 195 rubles each, generating proceeds of up to 390 million rubles (\$14 million) to be invested in the business.

It added that, although the IPO would put a value on Utnet.ru of nearly 4 billion rubles, float organizer Finam had valued the company at up to 13.8 billion.

UralSib analyst Konstantin Chernyshev said in a note that Utnet had significantly scaled back its valuation hopes since its IPO plans were first mooted, but added that its position as the sixth-largest player in the market could send warning signs.

"Participation in Utinet.ru's IPO may offer investors exposure to the rapid growth of the Russian online retail market, but we consider it risky ... given the strong competition and low barriers to entry to the online retail market," he said.

Russian companies have raised nearly \$4 billion via IPOs in the year to date, compared with \$5.5 billion in 2010 as a whole.

PhosAgro, Europe's largest maker of phosphate fertilizers, has orders for more than the \$500 million of shares it is selling in an initial public offering in London and Moscow, said two people asking not to be identified because the information is private.

The company has covered the stock on sale about a week before the deadline for orders.

PhosAgro, a competitor to Plymouth, Minnesota-based Mosaic and Office Cherifien des Phosphates in Casablanca, Morocco, seeks to raise between \$500 million and \$1 billion in the IPO, chief executive Maxim Volkov said June 17. The IPO would value PhosAgro at between \$4.8 billion and \$6.1 billion, it said in a June 28 statement.

Citigroup, Renaissance Capital, Sberbank's Troika Dialog, Credit Suisse Group and Bank of Montreal are managing the sale as bookrunners.

(Reuters, Bloomberg)

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