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Railway May Sell All of Subsidiary

By The Moscow Times

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Russian Railways, which is selling some of its largest subsidiaries this year, may offer investors its entire 50 percent stake in London-listed cargo unit TransContainer, a deputy economic development minister said.

The ministry spoke to potential investors, and most of them favored the sale of a majority stake rather than the planned sale of 25 percent, Stanislav Voskresensky said late last week. The railway monopoly owns 50 percent plus one share in TransContainer.

"The sale of a controlling stake would allow Russian Railways to maximize its revenue," Voskresensky said. "This proposal has been submitted for consideration by the government."

TransContainer held an initial public offering in Moscow and London in November, raising about $400 million with Russian Railways selling a 35 percent stake.

Vladimir Lisin's UCL Holding may bid for 50 percent of TransContainer, spokesman Dmitry Baukov said Friday. Ziyavudin Magomedov's Summa Group is also interested, vice president

Konstantin Panin said, as is Sergei Generalov's Fesco Transportation Group, which bought a 12 percent stake during the cargo carrier's IPO, vice president Stanislav Vartanyan said.

N-Trans Group, which includes Globaltrans Investment, Russia's biggest nonstate rail operator, may also compete for control of the company, said three people familiar with the plans.

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