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# Lisin vs. Timchenko for Freight One

By The Moscow Times

October 04, 2011

Steel magnate Vladimir Lisin, the nation's richest man with a $24 billion fortune, will bid for the Russian Railways unit via his transport arm Universal Cargo Logistics Holding, or UCLH, a spokesman for UCLH said Tuesday.

The spokesman added that he expected the biggest threat to Lisin's success to come from mining supply group Transoil, controlled by Gennady Timchenko, a billionaire oil trader and longtime associate of Prime Minister Vladimir Putin.

Globaltrans, the only publicly listed contender, which like Transoil is part-owned by transport holding company N-Trans, said last week that it would pull out of the auction due to volatile global financial conditions — despite having secured financing.

Russian Railways has been preparing to sell a stake of 75 percent minus two shares in Freight One as part of a long-term plan to raise cash for new infrastructure.

The group, which controls the country's vast rail system, had been mulling an initial public

offering of the unit before opting to find a strategic investor.

The auction date has been set for Oct. 28, with bidding to start at 125 billion rubles ($3.8 billion), Russian Railways said on its web site.

Freight One chairman Alexander Zhukov said in April that the group expected to raise more than $4 billion from the stake, although it is likely that uncertain market conditions since then have depressed the value.

Transoil could not be reached for comment. A spokeswoman for N-Trans declined to comment.

Freight One owns 21 percent of the nation's rolling stock. Lisin's main business asset is the steelmaker NLMK.

Lisin said Tuesday that none of Russia’s biggest stocks are good investments right now because of uncertainty on global markets, Bloomberg reported.

“I don’t think there’s a blue chip” worth the risk, he said.

The current global economic slump will be "softer" than the one that emerged in 2008, but capital flight is increasing, and fund-raising is becoming a bigger challenge for companies, Lisin said.

Original url: https://www.themoscowtimes.com/2011/10/04/lisin-vs-timchenko-for-freight-one-a9936