

Lisin Wins Freight One Auction Unchallenged With \$4.2Bln Bid

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Billionaire Vladimir Lisin's Independent Transport Company brushed aside competition from Gennady Timchenko's Transoil to take control of the Freight One cargo company at a closed auction Friday.

Lisin's company paid 125.5 billion rubles (\$4.2 billion) for 75 percent minus two shares of Freight One, a subsidiary of Russian Railways — just a fraction over the starting price.

The deal gives Lisin control of some 21 percent (or 192,000 units) of Russia's freight rolling stock — the biggest transfer of railways assets into private hands since Russian Railways unveiled a limited privatization program last year.

Independent Transport Company general director Alexander Sapronov said after the auction that the company would offer Russian Railways another 125.5 billion rubles for the remaining 25 percent of the company, Interfax reported.

Calls to ITC went unanswered Friday afternoon.

Analysts expected determined opposition from Timchenko's Transoil, which had said it wanted Freight One to diversify its current oil-transport business, but an anticipated bidding war failed to materialize.

Interfax said sources "close to the auction" confirmed the Lisin company's victory with a bid of 125.5 billion rubles — only marginally above the starting price of 125.375 billion rubles.

Many had expected Timchenko to win, said Andrei Rozhkov, a transport analyst at Metropol.

Steel magnate Lisin, who is listed as Russia's richest man in Forbes magazine with an estimated fortune of \$24 billion, probably wants to use the asset to build up his businesses in ports and railways, Rozhkov said by phone.

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