

Transoil Buys 10,000 Used Freight Cars

By [The Moscow Times](#)

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The board of directors of Freight One has approved the sale of 10,000 used tank cars for carrying crude oil and oil products to Transoil for an undisclosed price.

The company said Transoil is buying the tank cars "at a market price determined by the parties that takes into account the report of the independent appraiser."

Transoil plans to finance the deal with its own funds, Interfax reported Friday, citing a company source.

Analysts say the value of the 10,000 railcars, depending on how long they have been operated, might be around 10 billion to 12 billion rubles (\$313.5 million to \$376.2 million).

"The sale of the 10,000 tank cars will enable Freight One to optimize the structure of the company's fleet of rolling stock. The proceeds from the sale of the tank cars may be used by Freight One to acquire railroad operators with an actual freight base in key segments of the market and to buy locomotives," the company said in a statement.

The divestment of 10,000 tank cars will not have a significant impact on the company's fleet of cars for carrying oil products, because the tank cars being sold were previously leased to other operators, including Transoil itself, and were not directly operated by Freight One, the company said.

Transoil said in a statement that the tank cars would be handed over within 60 days, once the prepayment is made. The tanks cars to be purchased from Freight One will increase Transoil's own fleet of rolling stock by 70 percent to 25,000, the company's acting chief executive, Vladimir Sokolov, was reported as saying in the statement.

A spokesman for Gunvor, Transoil's main shareholder, told Interfax that the deal would help Transoil substantially beef up its market position in its primary business segment, although this will not eliminate the company's plans to diversify.

"The management has ... the aim of creating a universal, vertically integrated transport holding," the spokesman said.

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