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Russian Railways Considers London IPO

By The Moscow Times

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The government has announced plans to sell a 25 percent stake in Russian Railways by 2013.

Russian Railways, which is now valued at 1.7 trillion rubles ($53 billion), is considering London as a possible venue for a flotation as part of the government's privatization program for the period until 2016, said the company's president, Vladimir Yakunin.

The railway monopoly, of which the government plans to sell 25 percent by 2013, could list shares on the London Stock Exchange, following the example of its subsidiary TransContainer, which made an initial public offering there in 2010.

Yakunin made the comments in an interview with the Independent published Wednesday.

"We have been working in London for many years, and we are known here in this market," Yakunin said. "My preference is for the place where we see the most serious investors."

A decision could also be made to list a portion of the company's shares in Moscow and another part in London, Yakunin said, adding that the value of the company has risen 30 percent since

it was established in 2005.

He said the listing might be completed by 2016 and added that the idea to float the company in London was his own.

Yakunin said he felt "quite comfortable in London and dealing with its banks and investors."

Yakunin said earlier this year that the government's plan to privatize a quarter of the company by 2013 wasn't realistic and that the sale could be possible only after the railway industry reform is completed in 2015 and financial markets become more stable.

Yakunin has headed the state-run monopoly since its was set up.

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