

Retailer Metro to Float Up to 25% of Russian Operation

By [The Moscow Times](#)

January 20, 2014

The  Moscow Times

BERLIN — German retailer Metro AG plans to sell up to a quarter of its Russian cash and carry unit in a initial public offering in the first half of the year on the London stock exchange.

"We expect a listing to enable us to expand our business in an even more dynamic way and to strengthen the balance sheet of Metro Group at the same time," chief executive Olaf Koch said in a statement on Monday.

Metro said its supervisory board had given its approval last Friday for the company to proceed with the IPO preparations, which it said were subject to market conditions.

Metro, Europe's fourth-biggest retailer which runs cash-and-carries, supermarkets, department stores and the continent's biggest consumer electronics chain, has been restructuring its portfolio to cut debt and raise money to invest in its core businesses, which include cash and carries.

Metro has more than 700 cash-and- carries in 29 countries and the business accounts for almost half of group sales.

It entered Russia in 2001, with the country becoming its most profitable unit and Metro's third-biggest market for its cash-and- carry business, behind Germany and France, with sales of 4.1 billion euros (\$5.6 billion) in 2012.

Analysts value the Russian business at 4 billion to 7.5 billion euros, translating into potential proceeds of at least 1 billion euros from the share sale for Metro.

Sources close to the matter have told Reuters that the flotation is likely to be run by Sberbank and Goldman Sachs.

Metro is Russia's fourth biggest retailer behind X5, Magnit and French chain Auchan. Its local rivals include Lenta, which is controlled by state bank VTB and private equity fund TPG, and is also planning to float on the stock market.

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