

# London-Listed Mail.Ru Plans Share Offer in Moscow

By [The Moscow Times](#)

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London-listed Russian Internet group Mail.Ru plans to also list its shares in Moscow in the near future, its chief financial officer said Thursday.

Mail.Ru went public in London in November 2010, listing global depositary receipts and raising \$912 million.

The additional listing will be a secondary placement of shares supported by three major strategic shareholders, CFO Matthew Hammond said. A Russian listing can help employees trade stocks and boost liquidity, he said.

"It was the topic of the discussion of the board yesterday and the board in principle has approved that," Hammond said on a conference call for analysts. "So I think we will be looking to move forward with that certainly in the near term."

It was unclear whether the offering would be only to strategic investors or to the public.

Mail.Ru also said on Thursday that revenue growth for 2014 would slow from the previous year, but core profitability would be broadly maintained.

Russia became Europe's largest Internet market in 2011 after several years of rapid broadband development, but growth in many online businesses such as Internet advertising has since slowed.

Part-owned by Russia's richest man Alisher Usmanov, Mail.Ru operates popular Russian-language social networking sites as well as e-mail and online games platforms.

The company forecast revenue growth of 22 to 24 percent, driven by growth in advertising and games, but below the 29.6 percent revenue growth it reported for last year to 27.4 billion rubles (\$767.4 million).

"On balance we believe Mail's operating story remains strong and the risk to both ours and consensus earnings is on the upside," said David Ferguson, an analyst at Renaissance Capital, according to a research note.

The company said it benefited from a deal struck with Russian web search firm Yandex last year under which Yandex shares advertising profits with Mail.Ru in exchange for Yandex's advertisers being given access to Mail.Ru's users.

While Mail.Ru expects revenues will slow in 2014, it said it would maintain core profitability with EBITDA — earnings before interest, tax, depreciation and amortization — margins of 53 to 54 percent, slightly below the 55.1 percent recorded last year.

Net profit for 2013 rose 36.1 percent to 11.4 billion rubles, year-on-year, while its net cash balance at the end of the year was 31.3 billion rubles (\$877 million) and it had no debt outstanding.

Analysts have been expecting Mail.Ru to use its cash to pay a special dividend.

"Today's release contains no news about a special dividend payment and we believe the company's first aim is to complete the disposal of its remaining [around] \$220 million stake in QIWI," said analyst Ferguson, referencing the Russian payment transfer company that went public on Nasdaq last year.

Mail.Ru also said it would transfer \$45 million to its employee benefit trust for a program to buy its global depository receipts in 2014.

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