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INDEPENDENT NEWS FROM RUSSIA

Russia's Largest Privatization Since 2016 to Net Almost $1Bln

State-owned Russian Railways sells subsidiary to former Russian lawmaker and ex-head of parliamentary transport committee.

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Transcontainer, Russia's largest transport container firm, was sold off by Russian Railways in an auction Wednesday. **trans.ru**

Russia's largest privatization in three years was agreed Wednesday in a $940 million deal to sell a subsidiary of state-owned Russian Railways.

A majority stake in Transcontainer, Russia's largest container transport firm, will be sold to transport conglomerate Delo Group for 60 billion rubles ($940 million), following a closed auction for the shares on the Moscow Exchange.

Russian Railways, which will sell its stake, is Russia's national rail operator and is wholly-owned by the Russian government. The deal will be Russia's largest privatization since 2016.

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Delo's president is former lawmaker and ex-head of the Russian parliament's transport committee Sergei Shishkarev. He founded Delo in the early 1990s before stepping back to enter politics in 1999, and led the transport committee of Russia's Duma — the lower chamber of parliament — between 2009 and 2014, when he immediately returned to Delo upon stepping down.

Shishkarev outbid the pre-deal favorite, Roman Ambramovich's Yenisei Capital, in a 40-minute auction which saw 120 bids go in for the Transcontainer shares, organizers VTB Capital said.

The deal will give Delo a stake worth 50% plus two shares of Transcontainer, and is set to be completed before the end of the year. Shares in Transcontainer have jumped by one-quarter since the privatization plans were announced in August. Delo paid a premium of just 4% for the holding, based on Transcontainer's current share price.

Shishkarev's Delo will now make a further offer to buy out Yenisei's pre-existing stake of 24.7% in Transcontainer, but has offered to allow state-backed VTB, which owns 24.8%, to remain a major shareholder in the company.

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