

## **Merged RTS-Micex Bourse to Start Operations in September**

By Artyom Danielyan and Jason Corcoran

June 29 (Bloomberg) -- Russia's Micex and RTS exchanges will start operating as a single, merged bourse in September, Micex President Ruben Aganbegyan told reporters today in Moscow.

The combined bourse plans to raise at least \$300 million from an initial public offering of shares in 2013, he said.

Aganbegyan, a former Renaissance Capital banker, said he will lead the exchange, while Roman Goryunov, head of the RTS, will be a deputy.

The IPO of the merged entity may raise as much as \$1 billion and give the company a valuation of \$4.8 billion compared with \$16 billion for its Brazilian peer, BM&FBovespa SA, according to Oleg Jelezko, managing partner at Da Vinci Capital, which has a 20 percent stake in the RTS.

"We see considerable upside of three times growth" in the valuation of the merged company "over the next five or six years as it catches up with the Brazilian exchange, Jelezko said in a phone interview from Geneva. "Our stake in the combined exchange will be about 5 percent and we are keen to increase that."

President Dmitry Medvedev has encouraged a union between the nation's two exchanges in a bid to make Moscow an international financial center. A merger between Micex, which handles about 70 percent of all equity transactions in Russia, and the dollar-denominated RTS will boost trading volumes, Economy Minister Elvira Nabiullina said Jan. 21.

### Frankfurt Link

RTS is owned by Russian and international investment banks, including Citigroup Inc., Deutsche Bank AG, Otkritie Financial Corp., Alfa Bank, Troika Dialog and private equity investor Da Vinci. Russia's central bank will sell its 29.8 percent stake in the Micex within two years, First Deputy Chairman Alexei Ulyukayev said on Jan 21.

The deal may accelerate a possible share swap or cooperation on technology and clearing with Frankfurt-based Deutsche Boerse AG, Jelezko said.

"Talks are ongoing at the moment, but it's very sensitive," Jelezko said. "Our key intention is to speed up product development and create more derivative products for currencies and fixed income and better improve the depositary and clearing for international investors."