
VW halts truck unit IPO until market conditions improve

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Volkswagen said it would halt preparations for an initial public offering (IPO) of its trucks unit Traton until market conditions improve.

The automaker had previously said it could list up to 25 percent of Traton in a deal that was expected to raise 5-6 billion euros (\$12 billion) and be Germany's biggest share offering this year.

"In the current market environment, Volkswagen Aktiengesellschaft today decided not to continue with preparation of an IPO of Traton SE for the time being," Volkswagen said in a statement.

"The Board of Management is still aiming for an IPO of the TRATON SE once market conditions improve," Volkswagen added.

Volkswagen has in recent days been considering modifying its plan, and mulled measures like reducing the stake of Traton that it planned to float to 15 percent from 25 percent, people close to the matter said.

On Tuesday, Volkswagen's Chief Financial Officer Frank Witter said the board unanimously backed the idea of listing Traton but warned markets remained volatile.

Traton includes the MAN, Scania and Volkswagen trucks businesses. Volkswagen had aimed to list it as part of its drive to create a global trucks business.

(Reuters)