

Russian Internet venture builds social networking empire

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DST Global Solutions logo. The Russian investment company, DST Global, which The New York Times reported on Tuesday had invested a further 50 million dollars in Facebook, is headed by low-profile Internet tycoon Yury Milner.

The Russian investment company, DST Global, which The New York Times reported on Tuesday had invested a further 50 million dollars in Facebook, is headed by low-profile Internet tycoon Yury Milner.

Milner is also the chairman of the rapidly expanding Mail.Ru Group, which has grown into the biggest Internet firm in the Russian-speaking world with stakes in e-mail and social networking sites.

The shaven-headed businessman trained as a physicist in Moscow before starting out as a manager at the World Bank. He began investing in the Russian Internet in the late 1990s and founded Mail.ru in 2001.

The sister companies Mail.Ru and DST Global have built major stakes in [social networking sites](#).

Mail.Ru owns 100 percent of Russian networking site Odnoklassniki, and also has a significant stake in the country's other major networking site, Vkontakte.

The group owns 2.38 percent of Facebook, while DST Global, the investment vehicle, also has an undisclosed stake of its own in Facebook which unconfirmed reports last year put at a total holding of 10 percent.

The report in The New York Times said that if DST has invested 50 million dollars (37.5 million euros) more in Facebook, its combined stake with Mail.ru would be worth about 500 million dollars.

Spokesmen for Mail.Ru Group did not answer phone calls in Moscow on Tuesday, a public holiday.

In a rare interview with business daily Vedomosti late in December, Milner said that Mail.Ru had "chosen a strategy to have a global expertise in a very narrow sector."

He said that in every Internet sector, there was a tendency for one single firm to become dominant, and that the company had picked Facebook as the leader in English-language social networking.

"On the Internet there is a tendency for 'winner takes all' and a leader emerges in every niche with surprising consistency," he said.

"This is the main issue that we look at. When we made our first investment in [Facebook](#), it was not obvious that it was a winner."

Mail.Ru Group made its debut on the London stock exchange in

November and was valued at 5.71 billion dollars on flotation.

Milner told Vedomosti in December that he planned to invest the proceeds of the IPO in Internet projects, which he called "one of the most promising areas for the next 10 years."

Mail.Ru Group and DST are part owned by Alisher Usmanov, a Russian billionaire of Uzbek origin who first invested in DST in 2008 and is also a major shareholder in Arsenal football club.

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