

Oligarch buys Russia's most popular social media (Update)

September 16 2014, by Nataliya Vasilyeva



In this Tuesday Oct. 29, 2013 file photo Russian President Vladimir Putin presents a medal to Russian billionaire tycoon Alisher Usmanov, right, at the award ceremony in the Kremlin in Moscow, Russia. A media company owned by Kremlin-friendly oligarch Alisher Usmanov has splashed out \$1.5 billion to gain full control of Russia's most popular social network, VKontakte, bringing an end to a months-long dispute that saw the original investors sue each other in court. London-listed Mail.Ru Group said in a statement Tuesday Sept. 16, 2014 that it now owns the whole of VKontakte following its purchase of a 48 percent stake from investment fund United Capital Partners. (AP Photo/RIA Novosti, Alexei

Nikolsky, Presidential Press Service, File)

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London-listed Mail.Ru Group said in a statement Tuesday that it now owns the whole of VKontakte following its purchase of a 48 percent stake from investment fund United Capital Partners. Mail.Ru first invested in VKontakte in 2007 and since then has spent over \$2.1 billion accumulating stock.

VKontakte is Russia's most popular social network and has over 270 million accounts.

Usmanov, who is reputed to be worth \$18.6 billion, was named Russia's richest man by the Russian Forbes magazine earlier this year.

Mail.Ru's chief executive Dmitry Grishin lauded the deal, saying "the termination of all outstanding shareholder disputes will allow focus on the product and its further development."

VKontakte's original investors parted ways in 2013 when two of them sold their combined 48 percent to United Capital Partners. VKontakte's founder Pavel Durov accused his former partners of violating their previous agreement since they did not offer him or Mail.Ru an option to buy their shares.

Durov sold his 12 percent stake in January which later ended up in Mail.Ru's hands. He fled Russia shortly after that and claimed that he

sold his shares under pressure as the Russian intelligence agency FSB was trying to get VKontakte to disclose personal data of the users of a group linked to the protest movement in Ukraine.



In this Saturday May 19, 2012 file photo, Pavel Durov, founder of Russia's leading social network site VKontakte, or "in contact", sits in a cafe in Red Square in Moscow, Russia. A media company owned by Kremlin-friendly oligarch Alisher Usmanov has splashed out \$1.5 billion to gain full control of Russia's most popular social network, VKontakte, bringing an end to a months-long dispute that saw the original investors sue each other in court. London-listed Mail.Ru Group said in a statement Tuesday Sept. 16, 2014 that it now owns the whole of VKontakte following its purchase of a 48 percent stake from investment fund United Capital Partners. (AP Photo/Roman Kulik, File)

As part of the deal, all pending lawsuits have been dropped.

In a joint statement with Mail.Ru, Durov welcomed the decision of his former partners to drop their claims against his new project while he was dismissing his claims against them.

Mail.Ru soared 3 percent at the London Stock Exchange on the news of the acquisition on Tuesday.

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