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# Odnoklassniki Founder to Sell His Stake to DST

By Timofei Dzyadko

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Milner is said to be consolidating DST's Russian assets for an IPO in 2011. **Denis Grishkin**

Odnoklassniki founder Albert Popkov is planning to sell his stake in the social network, allowing Digital Sky Technologies to bring its share in the company to 100 percent.

The Federal Anti-Monopoly Service has approved a request from DST, owned by Yury Milner, Grigory Finger and Alisher Usmanov, to purchase rights allowing it "to establish the terms of the entrepreneurial activity" of OOO Odnoklassniki, according to a statement on the service's web site.

DST now owns about 80 percent of the company through Forticom Group, while the remaining 20 percent belongs to Popkov, who founded Odnoklassniki in 2002.

Negotiations for DST to purchase Popkov's stake are nearly completed, an executive close to Odnoklassniki's shareholders told Vedomosti. A separate source among the company's

owners said the deal was already being drawn up.

Popkov confirmed that he was in talks on selling the shares. "The sides [of the deal] have known each other for a long time, and we're in regular talks. So I wouldn't rule out a scenario in which I would exit Odnoklassniki," he said. If the deal is reached, it will happen "fairly quickly," he added.

Vedomosti's sources declined to comment on the terms of the possible sale.

DST gained control of the social network in 2008 by building its stake in Forticom to 75 percent. It now owns 100 percent of Forticom.

Buying full control of Odnoklassniki is part of the preparations for a London initial public offering of DST Russia, which is planned for fall 2011, both of Vedomosti's sources and an executive close to the IPO organizers said.

The move comes as DST is rapidly consolidating its Russian assets. In late 2009, DST's Mail.ru bought games developer Astrum Online Entertainment, and in July, DST raised its stake in Mail.ru to 99.9 percent.

That same month, DST acquired ICQ, an instant messaging platform popular in Russia, from AOL for $187.5 million. In addition to those three companies, DST Russia includes blocking stakes in the Vkontakte social network and in OE Investments, which manages the OSMP and e-port electronic payment systems. The holding also has a slew of stakes in smaller assets, including HeadHunter, Free-lance, Nigma, Sape and others, sources close to the Russian Internet companies have told Vedomosti.

Odnoklassniki could be worth seven times its 2009 profit, or about $70 million to $80 million, while optimists who still see the site as a venture project could pay twice that, or about $140 million, Finam analyst Leonid Delitsyn said.

Based on the first figures, Popkov's remaining stake would be worth $14 million to $28 million. Odnoklassniki's audience has already peaked, and no one is expecting the site to have further rapid growth, Delitsyn said. But the company's revenue may continue to grow as it adds new services and users, even amid increasing competition among social networking sites, he said.

The $140 million price tag is far too low, said the executive close to Odnoklassniki's shareholders, citing the network's traffic, which is similar to that of Mail.ru.

As of June, Odnoklassniki had 20 million unique visitors, whereas 15.3 million users made at least one visit to Mail.ru's home page, according to TNS Web Index.

Mail.ru was valued at about $1.2 billion during DST's recent deal with the South African holding Naspers.

An executive at an Internet company said he had heard that DST was hoping investors would value its Russian assets at $6 billion.

A spokesperson for DST declined to comment.

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