

\$100M Private Equity Going To Telecoms Tower Company

By [The Moscow Times](#)

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Investment funds are hearing the call of Russian telecoms infrastructure. **Igor Tabakov**

A group of funds has invested \$100 million into telecoms tower-leasing company Russian Towers, a rare deal in a country that has traditionally attracted little private equity investment.

The bulk of the investment is coming from new equity investors including Macquarie Renaissance Infrastructure Fund, or MRIF, which will invest \$50 million, and emerging market investor ADM Capital, investing \$20 million, according to a press release from MRIF.

Another \$15 million is coming from Russian Towers' founding shareholders, Russian-focused private equity fund UFG Private Equity and the European Bank for Reconstruction and Development. It is the third investment from the \$630 million MRIF, which was formed in 2008, making the fund now 40 percent invested.

Its other two investments were in Brunswick Rail and GSR Energy Investments.

Russian Towers has about 300 towers in the country, either operating or under construction. It leases space on these to mobile and fixed-line phone operators, which use the towers for broadcasting equipment.

Russia typically ranks low in appeal to private equity investors because of its energy-dominant economy, weak rule of law and perceptions that the best deals go to well-connected local oligarchs.

A recent study by private equity research firm Preqin said that only 5 percent of limited partners — the pension and endowment funds that invest in private equity funds — viewed Russia as attractive. But there is some evidence of change, with large New York-based firms such as Blackstone Group and Apollo showing interest in the country.

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