The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia Has New Richest Man Aided by Bet on Facebook

By The Moscow Times

March 06, 2012

Alisher Usmanov, the Muscovite who controls the Metalloinvest metals and mining company, trumped steel billionaire Vladimir Lisin as Russia's richest man through timely bets on tech companies including Facebook.

Usmanov's personal net worth now totals more than $20 billion, according to the Bloomberg Billionaires Index, pushed up mainly by the value of his stake in Facebook, which is now worth more than $4 billion, based on Bloomberg data. He also owns stakes in Twitter, Groupon and China's Alibaba Group Holding.

"We saw potential in Internet companies a few years ago and it was then that we began to invest in such private companies as Facebook, Groupon, Zynga and others," Usmanov told Bloomberg Markets magazine in January.

That diversification of assets allowed Usmanov to increase his wealth in a year in which

falling metals prices hurt the fortunes of his richest Russian peers, such as Novolipetsk Steel's Lisin and Severstal's Alexey Mordashov.

"Most Russian billionaires tend to stick to their familiar industries and have generally done poorly," said Chris Weafer, chief strategist at Moscow-based Troika Dialog, Russia's oldest investment bank. "With Facebook, Usmanov is the first oligarch to make such a major investment outside of his core Russia business and to show huge success," Weafer said.

The bulk of Russia's billionaires -- Usmanov included -- built their wealth from 1990s investments in commodity-related industries. Many ventured out during the past decade to buy assets abroad but didn't share in Usmanov's good fortune.

"Usmanov's success is likely to encourage others of the merit of diversification," said Troika's Weafer. "We will see more high-profile investments from Russia's oligarchs in industries with fast growth potential in the future."

NLMK, Lisin's main asset, and Oleg Deripaska's United Co. Rusal, the world's largest aluminum producer, have plunged about 47 percent and 48 percent, respectively, in the last 12 months, to about $14.7 billion and $13.2 billion.

Original url:
https://www.themoscowtimes.com/2012/03/06/russia-has-new-richest-man-aided-by-bet-on-facebook-a13091