

MegaFon Files for LSE IPO

By [The Moscow Times](#)

September 04, 2012



MegaFon is requesting to list 123 million shares, or 19.9 percent of its 620 million shares outstanding, in London. **Maxim Stulov**

The ministry stuck by its forecast for full-year contraction of just 2.2 percent, suggesting things could improve before too long. That optimism was picked up by Shuvalov. MegaFon, the country's second-largest mobile phone operator, has submitted a request to the national markets regulator for permission to list proxy shares in London, bringing it a step closer to a major initial public offering.

MegaFon, which Russia's richest man, Alisher Usmanov, took control of in a complex deal in April, had been eyeing the float of a 20 percent stake, which could be worth as much as \$4 billion, sources familiar with the matter said at the time.

The company is requesting to list 123 million shares, it said in a filing Tuesday. That works out to 19.9 percent of its 620 million shares outstanding.

MegaFon is majority-owned by Usmanov's AF Telecom, which holds 50 percent plus one

share of the company, and 35.6 percent is owned by Nordic telecom firm Teliasonera, while 14.4 percent is held as treasury stock.

At the time of the April deal, the parties announced that Teliasonera would reduce its holding in MegaFon to 25.1 percent through the proposed IPO, while the remainder of the offering would be made up of treasury shares.

Meanwhile, MegaFon could soon lead cell phone retail sales after buying a stake in Yevroset, Kommersant reported Tuesday, citing sources.

Yevroset co-owner Alexander Mamut has been looking to sell his 50.1 percent stake since December, and now MegaFon and Usmanov's other vehicle are likely to buy 50 percent of Yevroset for \$1.25 billion to \$1.35 billion, Kommersant said.

Emerging-markets telecom operator VimpelCom is set to buy the other 0.1 percent, increasing its stake in Yevroset to 50 percent.

MegaFon was not immediately available for comment, while Yevroset declined to comment.

Promsvyazbank has applied to the Federal Financial Markets Service for permission to organize the circulation of its securities outside Russia, likely on the London Stock Exchange, the lender said, Interfax reported. Deutsche Bank will be responsible for the issuing process. Promsvyazbank plans to circulate 352 billion shares abroad, but not more than 25 percent of its entire ordinary stock.

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