

MegaFon Delays Road Show

By [The Moscow Times](#)

October 22, 2012

The  Moscow Times

MegaFon said Monday that it would not start a road show for a stock market listing in London and Moscow until the release and evaluation of its third-quarter financial results.

A source familiar with the preparations for the offering told Interfax that the mobile operator will include in a revised prospectus new details about a deal with mobile phone retailer Yevroset and might hold the IPO in the first half of November.

MegaFon had already prepared a prospectus, but as it was going through the approval process with the UK Listing Authority, the regulator recommended the company include new details of the Yevroset deal in the prospectus, the source said.

MegaFon is seeking to raise about \$2 billion from its initial public offering, sources have said. The listing could be the biggest by a Russian company since that of Internet firm Yandex last year.

Despite the delay, MegaFon said in a statement that investor interest “has been exceptionally

strong and the company is looking forward to commencing its road show in due course.”

The company expects to announce third-quarter results in early November, a spokeswoman added.

MegaFon and its controlling shareholder, Garsdale Services Investment, plans to buy 50 percent of Yevroset from businessman Alexander Mamut. MegaFon will pay about \$525 million for a 25 percent stake in the retailer and pledge to buy out another 25 percent from Garsdale for \$1.33 billion.

Rival mobile operator VimpelCom, which owns 49.9 percent of Yevroset, will buy the remaining 0.1 percent of the retailer’s shares from Mamut. The two mobile operators will be equal owners of Yevroset.

MegaFon, the country’s No. 2 mobile phone company, is controlled by the country’s richest man, Alisher Usmanov, who has a stake of just over 50 percent. It had been expected to float a stake of about 15 percent, sources close to the deal had said.

Minority shareholder TeliaSonera is expected to sell shares in the IPO. MegaFon would also sell stock acquired in its buyout of owner Mikhail Fridman last April. ☒

(Reuters, MT)

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