

MegaFon Completes Acquisition of 50% of Yevroset

By [The Moscow Times](#)

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Under the deal, Lefbord Investments — owned equally by MegaFon and Usmanov's Garsdale vehicle — has bought 50 percent of Yevroset for \$1.07 billion. **Maxim Stulov**

No.2 mobile operator MegaFon has completed a \$1.07 billion deal to buy a stake in cellphone retailer Yevroset to expand the number of shops through which it can sell its services.

MegaFon, controlled by the country's richest man Alisher Usmanov, announced plans in October to buy half of Yevroset, pitting it against rival VimpelCom which owns the remainder of the asset. MegaFon competes against Russia's biggest operator MTS as well as No.3 VimpelCom.

Under the deal, Lefbord Investments — owned equally by MegaFon and Usmanov's Garsdale vehicle — has bought 50 percent of Yevroset for \$1.07 billion. It will pay an additional \$100 million if Yevroset meets certain targets.

After one year, MegaFon will buy Garsdale's stake in Lefbord, gaining full control over 50 percent of Yevroset, MegaFon said Friday.

MegaFon previously said the deal could cost it up to \$1.33 billion, which includes other costs such as interest payments.

MegaFon and Garsdale are buying the stake from tycoon Alexander Mamut, who has been looking to sell his holdings since last December. Mamut also holds a stake in Russian miner Polymetal.

VimpelCom said Friday that it had increased its ownership interest in Yevroset by 0.1 percent to give it 50 percent control, giving it equal economic and governance rights in the company. VimpelCom previously had a minority interest in Yevroset with more limited governance rights, it said in a statement.

Yevroset has 5,500 stores in Russia and Belarus and will boost the distribution power of MegaFon, which runs 1,750 of its own stores and 2,000 franchisee shops, according to VTB analysts.

MegaFon in November raised \$1.7 billion in an initial public offering in London and Moscow.

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