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Durov Sells VKontakte Stake to Usmanov Ally

By The Moscow Times

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Pavel Durov, founder of the country's biggest social network, said he sold his stake in Vkontakte to an ally of tycoon Alisher Usmanov, the site's second-largest shareholder.

Durov sold his 12 percent stake to Ivan Tavrin, the chief executive officer of mobile phone operator MegaFon, which Usmanov controls, Durov said on his Vkontakte, or Vk, page on Friday, Vedomosti reported.

The sale means that Usmanov and his allies now control approximately 52 percent of the company.

The deal took place in December and was probably based on a valuation of $3 billion to $4 billion for all of Vk, the local equivalent of Facebook.

Vk is 39.9 percent owned by Russian internet group Mail.Ru, which is partially owned by

Usmanov and has long been seeking to increase its stake to gain control of the more than 100 million Vk users.

In 2012, Mail.Ru handed Durov the voting rights to its stake, creating a partnership with effective majority control, but then said it still wanted to own a larger stake.

In April 2013, however, Russian investment fund United Capital Partners bought out two other co-founders of Vk, becoming its biggest shareholder with a 48 percent stake.

At the time, Vk said Durov had no intention of selling his stake.

On Friday, Durov said his influence at Vk would continue despite the sale.

“This change will hardly impact the governance of Vkontakte — its board of directors has been paying attention to my opinion not because I own a stake but because I created this network and understand its deep mechanisms,” Durov said.

UCP on Friday confirmed the change in ownership.

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