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Usmanov's Mail.ru Seeks Full Control of Social Network Vkontakte

By The Moscow Times

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Alisher Usmanov

Vkontakte, Russia's largest social network, may soon come under the full control of Alisher Usmanov's Mail.ru, potentially putting to bed friction between Vkontakte's principle shareholders that saw the network's founder flee the country earlier this year.

Business daily Vedomosti reported Thursday, citing unidentified sources, that Mail.ru, one of Russia's biggest Internet companies and owner of 52 percent of Vkontakte, was in the final stages of negotiations to buy the 48 percent owned by private equity fund UCP.

One source told the paper that UCP's stake, which Vedomosti reported as being worth $1.4 billion, could either be bought by Mail.ru or a third party friendly to the interests of the company, which is controlled by Usmanov, Russia's richest man.

Vkontake has 88 million users in Russia, far outstripping its U.S. rival Facebook.

Mail.ru, UCP and Pavel Durov, Vkontakte's whizz kid founder and former shareholder, have fought over the direction of the company, especially since Durov in 2011 refused to comply with requests from Russia's secret service, the FSB, to block pages on the site and hand over information on users.

Durov fled Russia in April, claiming pressure from the security services.

Neither USP nor Usmanov's companies responded to Vedomosti's requests for comment.

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