

Usmanov's UTH Offers to Buy Assets of Company Struggling With Foreign Ownership Law

By [The Moscow Times](#)

July 06, 2015

The  Moscow Times

Russian billionaire Alisher Usmanov

Russian broadcaster CTC Media said on Monday it had received a \$200 million offer for 75 percent of its operating assets in Russia and Kazakhstan from UTH Russia, part-owned by billionaire Alisher Usmanov.

CTC, in which Sweden's MTG owns a 38 percent stake, has been looking for a buyer for months to comply with a new Russian law which limits foreign ownership in media companies to 20 percent from Jan. 1, 2016.

The company said it had agreed to grant UTH a period of exclusivity during which the parties will seek to agree terms of a deal. It gave no time frame for the exclusivity period.

It said following the transaction, the direct and indirect ownership of its operations in Russia would comply with the new law and that it would "return value" to shareholders.

"The board is exploring the most efficient manner of doing so," it said in a statement, adding it anticipated the funds that would be available pro rata to the stockholders would represent a modest premium to the closing price on July 2.

Shares in CTC Media have fallen by more than 50 percent since the start of 2015 to trade at \$2.16 apiece at the market close on July 2, valuing the company at \$337 million.

MTG, the company's biggest shareholder, said it would reclassify its interest in CTC Media from an "equity participation" to a "discontinued operation" to reflect that its shareholding in the firm was now for sale.

A spokeswoman for Usmanov, whose holding company USM owns 50 percent of UTH, declined to comment on the offer.

The other 50 percent of UTH is owned by M1, a company of Ivan Tavrinn, Usmanov's longtime business partner and the chief executive of mobile operator MegaFon. M1 manages UTH, which includes Disney Russia, the MUZ-TV music channel and online video service ClipYou.

Original url:

<https://www.themoscowtimes.com/2015/07/06/usmanovs-uth-offers-to-buy-assets-of-company-struggling-with-foreign-ownership-law-a47920>