

Usmanov Wary of Peak in Internet Investment Pricing

By [The Moscow Times](#)

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Alisher Usmanov, who together with Yury Milner owns about 10 percent of Facebook, said he's cautious about investing more money in Internet companies, as prices may have peaked.

"Investments in Internet companies start to bring less profits compared with two or three years ago when we began to invest in them almost at a startup level," Usmanov said in a phone interview Friday. The \$500 million March acquisition of a 5 percent stake in Chinese web retailer 360buy.com through Usmanov and Milner's DST Global may have been his last big direct web investment for some time, he said.

Usmanov and Milner are among Internet investors that have been backing some of Silicon Valley's fastest-growing businesses. Their firm led a \$135 million investment in daily-deals site Groupon last year and was part of a group that put \$180 million into Zynga Game Network, a social gaming service, in 2009.

"There's certainly a lot of concern that we're getting into a real bubble around Internet companies, and I can understand that some people are getting cautious," said Keith Arundale, a London-based venture capital consultant and former director in PricewaterhouseCoopers' global technology group. Very high valuations "seem to be extending to a lot of Internet companies" both large and small, he said.

In March, Milner and Usmanov set up a second Internet investment fund, called DST Global 2.

"I'll just be a financial investor in this fund, which will have a number of investors," Usmanov said. Goldman Sachs Group is helping raise money for the new fund, he said. Usmanov himself may focus on working with his existing Internet investments, he said. Milner spokesman Leonid Solovyov declined to comment.

Usmanov, who made his \$18 billion fortune through metal investments, is also the second-largest shareholder of Arsenal football club, with 27 percent of the London team. Usmanov also owns 26.9 percent of Mail.ru Group, which fetched about \$1 billion in an initial public offering in London in October.

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