

MTS to Buy Out Internet and TV Rival

By [The Moscow Times](#)

June 05, 2013

The  **Moscow Times**

MTS has made a bid for dominance of the Moscow telecommunications market with an offer to buy out rival Akado, valued by its owners at over \$1 billion, a news report said Wednesday.

"Mobile TeleSystems has sent an official offer to Akado's shareholders," a source in the market told Kommersant, adding, "We are now in the discussion stage."

If the deal goes through, MTS will control nearly 50 percent of the Moscow internet market, putting it streets ahead of its nearest rival VimpelCom, which has only 22.7 percent. At the same time its cut of the capital's digital television provision will leap from 6 percent to 40 percent.

Viktor Vekselburg and Yuri Pripachkin, Akado's owners, last year estimated the value of their company at more than \$1 billion. Dmitry Kasyanenko, of Advance Capital, put Akado's value slightly lower, at \$800-900 million.

Akado provides telephone, internet and digital television services in Moscow, St. Petersburg

and Yekaterinburg. In 2012 it recorded revenue of 11.2 billion rubles (\$350 million). With a fifth of the market, it is Moscow's third largest internet provider, and the leader in digital television, with a market share of 34 percent. The company has debt of 11.8 billion rubles net.

Akado has attracted interest from numerous potential buyers in recent years. "We are not in a particular hurry to sell," Vekselburg told Interfax at the end of May, "but if a good offer comes along, we will consider it."

Original url: <https://www.themoscowtimes.com/2013/06/05/mts-to-buy-out-internet-and-tv-rival-a24688>