

# Indebted Mobile Retailer Switches Hands

By [The Moscow Times](#)

November 13, 2014

**The**  **Moscow Times**

The investment vehicle of billionaire Mikhail Prokhorov and a private pension company have taken control of handset provider Svyaznoy, according to a joint press release issued on Wednesday.

About 90 percent of Svyaznoy will now be owned equally by Prokhorov's Onexim and pension fund Blagosostoyanie, the statement said. Maxim Nogotkov, Svyaznoy's founder, will lose operational control as part of the deal.

Svyaznoy reportedly had debts of 9 billion rubles (\$190 million) at the end of last year.

The deal was carried out for a "symbolic" sum of money, Vedomosti reported Thursday, citing unnamed sources. The price was one ruble, according to a Thursday report by RBC, also citing unnamed sources.

Svyaznoy's debt burden will be significantly less following the entry of Onexim and Blagosostoyanie, according to the statement.

"We are optimistic about the possibility of quickly stabilizing the situation around Svyaznoy, and we are supported by the creditors of the various companies of Svyaznoy and the management," said Onexim director Dmitry Razumov, according to the statement.

Nogotkov set up Svyaznoy in 1995, and the company has grown into one of Russia's leading mobile handset retailers with 3,200 outlets across Russia, according to information on Svyaznoy's website.

Svyaznoy was estimated to be worth between \$300 million to \$400 million, news agency Bloomberg reported in October, citing Yevgeny Golosnoi, an analyst at Moscow-based IFC Metropol.

Original url:

<https://www.themoscowtimes.com/2014/11/13/indebted-mobile-retailer-switches-hands-a41342>