

Russian Internet deals steer into PE space: B2B Center raises \$ 45 million

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When Accel backed Russian free online classified platform Avito with \$75 million, the deal had a look and feel of a venture investment, an ambitious attempt to build a Russian eBay. Yet Russian online procurement platform B2B Center selling a minority stake for \$45 million comes across as a less risky, more private-equity-type deal.

B2B marketplaces were hot ventures build back in the hey days of Web 1.0 in early 2000s. Since then a number of global marketplaces have grown into more mature companies such as Tradekey and Alibaba.

B2B Center, whose shareholders included Alexander Boyko and Mail.ru, is an electronic marketplace, which enables businesses to trade through auctions, competitive tenders, and complex negotiations. It offers over 30 types of trading procedures. Its daily trade volume ranges between \$70 and \$300 million, and the company is responsible for 80 percent of the Russian B2B electronic trade.

It is no surprise then that B2B Center's new investors include private equity firms such as Da Vinci Capital (EPAM, MICEX RTS exits) and Swiss Alpha Associates (EPAM, Ozon, AVG). Insight Venture Partners, a global PE and VC firm, which backs growth stage companies, has also participated in the transaction.

What is more interesting, that and Runa Capital with a higher appetite for risk and a broad portfolio of seed and early stage businesses, has invested in B2B Center as well. It's got to be a risk diversification strategy then.

<http://goaleurope.com/2012/06/01/private-equity-russia-internet-deals-steer-into-pe-space-b2b-center-raises-45-million/>