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20 September 2008

The Czech finance group **PPF Group** now holds 50% of **Eldorado**, the Russian consumer electronics and household appliances retailer. Eldorado knows the finance group well as the retailer's main consumer credit partners belong to the PPF Group.

Allegedly, the cost was between $400-800m. That's surprisingly low when estimates once placed Eldorado's 15 00+ chain at nearly $5 billion, but when you need cash…

The deal helps Eldorado cover its debts (reported to be $1 billion): in February 2008, the Russian Federal Tax Service demanded RUB 15bn from Eldorado for alleged tax evasion (2004-2005). (See our article .)

Simultaneously **Gasprombank** and **Sberbank** insisted Eldorado repay its debts of $400m. But there's a twist: PPF claims this is in exchange for credit to Eldorado and the shares are a security on the loan.

"Among others, the conditions of additional financing assume a possibility of acquisition by the PPF Group of a substantial, up to majority, stake in the retailer," says a PPF statement.

Igor Nemchenko, chief executive of Eldorado, gave a one-sentence comment in the PPF statement: "Co-operation with PPF Group enables Eldorado to resume the standard operations and to retain jobs."Czech billionaire Petr Kelner owns 94% of PPF Group. It has its headquarters in Amsterdam and manages assets in CEE/CIS worth more than 10 billion euros.

Go **PPF Group**