

Domodedovo Airport Chairman Tells of Huge State Pressure

By [Howard Amos](#)

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Kamenshchik **Howard Amos**

Dmitry Kamenshchik, chairman of Domodedovo Airport's board of directors, prefers to stay out of the spotlight.

Perhaps it's no surprise, given that a terrorist attack killed 37 at the airport in January, President Dmitry Medvedev has demanded to know its ownership structure, and speculation has swirled for years about the possibility of a hostile state-backed takeover bid.

Facing reporters at his first news conference since 2007, Kamenshchik, widely considered to be the principal owner of Russia's biggest airport, responded in riddles to questions about whether he feared that Domodedovo might fall prey to businesspeople or agencies linked to the Kremlin.

"The state pays attention to us. It's pleasant that we're remembered, that they think about us

and are constantly checking up on us," he said.

He indicated, however, that he was under enormous pressure, and said he went the extra mile to ensure that the authorities had no pretext to cause trouble.

"We have all learned that there should be no pranks, that everything should be done very carefully, that all documents should be in order, that the fire axes should be hanging in the right place, that all registers should be filled in by the right colored pens, that taxes have been paid down to the very last kopek, and that there has been no easing of restrictions," he said.

Kamenshchik, 43, even addressed a question of whether he could be jailed as a part of a hostile bid to gain control of the lucrative airport, which enjoyed a consolidated revenue of more than \$1 billion in 2010.

"Like anyone else, I don't know whether I will be sent to prison or not. We are all citizens of the Russian Federation and subject to the Russian Criminal Code," he said with a grin, provoking laughter among the reporters.

A dramatic June 30 police raid of Domodedovo involved about 100 law enforcement officers and included a 24-hour search of his own office, Kamenshchik said.

He said he did not know whether the raid was linked to the suicide bombing in the airport's international arrivals hall, but added that the materials demanded by law enforcement officials "did not bear any relation to the violation of transportation safety rules."

Kamenshchik, ranked by Forbes magazine as the 86th richest man in Russia with a fortune of \$1.1 billion, was named as enjoying the ultimate beneficial interest in 100 percent of DME Limited when the airport attempted an initial public offering on the London Stock Exchange earlier this year. When the IPO was pulled May 30, DME Limited cited unfavorable market conditions — but analysts pointed to investors' fears of threats to Domodedovo's independence.

Referring specifically to Domodedovo, Medvedev said in February that "commercial structures should be open and not concealed."

Following an investigation ordered by Medvedev, the Prosecutor General's Office released a statement in April that claimed that control of Domodedovo was exercised through foreign-registered companies, thereby removing management from Russia's jurisdiction and obstructing the authorities from carrying out their regulatory functions.

The airport has consistently maintained that there is nothing illegal about its complicated ownership structure, which it admits involves multiple offshore holding companies.

Kamenshchik refused to confirm on Tuesday whether he was still the sole ultimate beneficiary of DME Limited, but said there were currently no negotiations under way about selling a stake in the company.

Valery Kogan, 60, is director of the airport's supervisory board and is also widely assumed to derive his personal fortune — estimated by Forbes at \$2 billion — from Domodedovo.

"Revealing the ultimate shareholder has, in my view, no independent value. ... It is not clear to me what advantage there is in a situation where the shareholders are publicly known," Kamenshchik said.

"A sole proprietor could be an object for a raider attack," he added.

He said he was ultimately in favor of Domodedovo being run by a publicly traded company, because it would provide more financing and improve the quality of management. But he stressed that at present it was a closed company.

"The legal structure of the group is correct under Russian legislation," he said.

Kamenshchik did not exclude the possibility of Domodedovo attempting another IPO but said no preparations were currently under way. The airport has no need of urgent financing, he said.

But Kamenshchik did outline ambitious investment and expansion plans. He said the airport aims to handle 51 million to 53 million passengers annually by 2020, up from 22.3 million in 2010, and plans to carry out a 60 billion ruble (\$2.1 billion) program of infrastructure investment over the next eight years. A total of 25 million passengers are expected this year.

Domodedovo is Moscow's most popular airport, after state-controlled Sheremetyevo and Vnukovo. Kamenshchik said Domodedovo has the most room for expansion, with more than five times more territorial resources than its two competitors combined.

There have been persistent reports that the government would like to merge Sheremetyevo and Vnukovo, and Prime Minister Vladimir Putin said in March that the realization of this project would have "significant synergies."

Kamenshchik said that no proposal has ever been made to Domodedovo about participating in a single management company for the three airports and he had not been included in any discussions on the topic. In a surprising admission for a well-established businessman and one of the country's richest men, he denied ever having met Putin.

"The idea of unifying the airports is not liked by passengers and it would destroy competition, which is an unquestionable driver of development," he said.

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