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Moscow City Sells Off Majority Stake in 1980 Olympic Stadium

By The Moscow Times

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The stake in the aging Olimpiisky Stadium, with its arena, ice rink and swimming pool, sold for $137 million.

After two years of trying, Moscow City Hall has sold a 64 percent stake in the threadbare Olimpiisky Sports Complex on Prospekt Mira, a landmark of central Moscow, for a total of 4.67 billion rubles ($137 million).

In an open auction on Friday, a company called Neftegazprod purchased the entire 64 percent share that previously belonged to the city, Interfax reported.

The financial prospects of the purchase are somewhat dubious. Olimpiisky's general director Mikhail Moskalyov told Vedomosti in April that the aging sports complex will require an overhaul to the tune of 5 billion rubles ($146 million). Meanwhile, it made net profit in 2013 of 27 million rubles ($770,000) on total revenue of 1.26 billion rubles ($37 million), according to the complex's financial director Alexei Saldikov.

The new owner, Neftegazprod, bears links to the wealthy Bazhayev family, according to an investigation by Vedomosti. Neftegazprod is registered as the co-founder of two companies that are both co-owned by investment firm Alliance Capital, itself a part of the Bazhayev's Alliance Group. The family also owns oil company Alliance Oil and platinum producer Russian Platinum.

Built for the 1980 Summer Olympic Games, the Olimpiisky Sports Complex is still one of the largest covered sporting facilities in Europe, with a total area of more than 213,000 square meters on a territory of more than 167,000 square meters. The complex boasts a swimming pool, an ice rink and a covered arena with seating for more than 25,000 people. The venue hosts major sporting events and concerts by such international headliners as singer Justin Timberlake, who performed there earlier this month.

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