

2 Moscow Wine Factories Selling for \$286M

By [The Moscow Times](#)

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Bottles of champagne clinking along the production line at the Kornet wine factory, which will go on sale in July.

Bank of Moscow is selling off two struggling wine and champagne factories in Moscow for 10 billion rubles (\$286 million), Itar-Tass reported Monday, citing an announcement on the website of the Unified Electronic Trading System, which manages real estate sales.

The bank plans to sell its 94 percent stakes in the Moscow Interrepublican Wine Factory, or MIWF, and the Kornet sparkling wine factory in an open auction on July 1, as well assignment agreements on both enterprises.

The two factories, which occupy a combined 10 hectares in Moscow, did not come close to reaching their output potential last year.

MIWF has a capacity of 60 million liters, but ended up pumping out less than 2 million liters

of wine and 1.75 million liters of cognac in 2013, according to the State Statistics Service. Kornet made about 7.5 million liters of sparkling wine, despite having capacity of 30 million liters.

Bank of Moscow, part of the country's second-largest banking group, state-owned VTB, gained control of the shares after its former head, Andrey Borodin, fled to Britain in 2011 amid fraud allegations.

Bank of Moscow may struggle to get the price it wants — Pavel Titov, the chairman of the board of directors at Russian winemaker Abrau-Dyurso, told Itar-Tass that his company is not interested in buying the shares, which he said are worth no more than 1 billion to 1.5 billion rubles (\$28 million to \$43 million).

Prospective buyers have until June 30 to apply to take part in the auction.

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