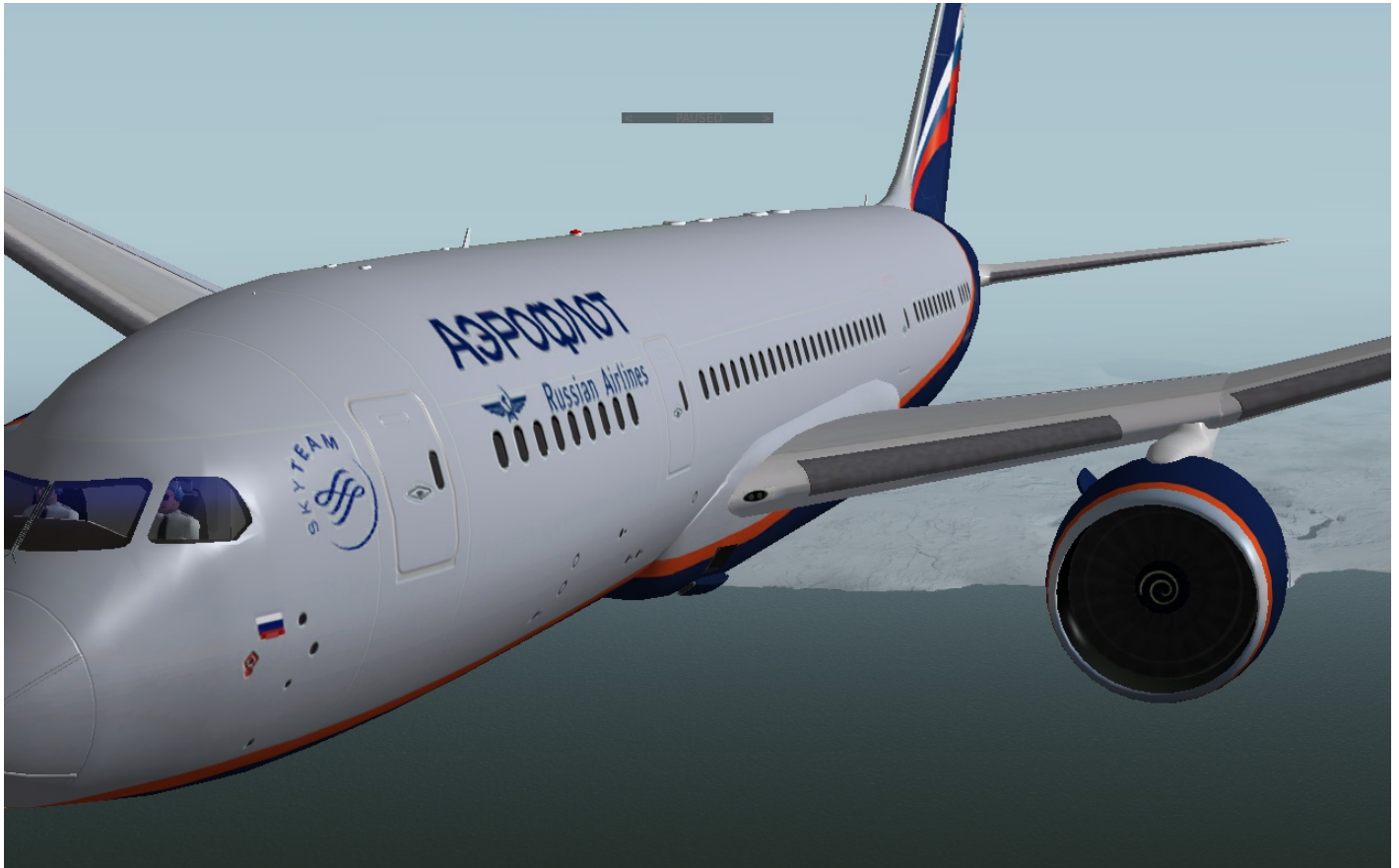




AEROFLOT SEEKS TO EXIT DEAL FOR 22 BOEING 787 DREAMLINERS

News / Airlines, Finance



Aeroflot, Russia's biggest carrier, is trying to get out of an agreement to buy Dreamliners from Boeing Co. as it seeks planes and routes from a debt-saddled airline and the market struggles in recession.

"We're trying to exit the deal," Chief Executive Officer Vitaly Savelyev said in an interview on Rossiya 24 television. "Boeing didn't deliver them on time and we don't need them in a slumping market."

Aeroflot said in June it was scrapping an order for 22 Boeing 787 jets worth US\$4.8 billion at list price, a rare setback for Boeing, which racked up a succession of deals in June at the Paris Air Show. The U.S. planemaker said in August that it hadn't received such notification from the Moscow-based airline and is negotiating to deliver the first jet in 2018.

As long ago as 2010, Aeroflot said that it was seeking compensation for development delays to the 787, which entered service three years late in 2011. The delays, combined with changed priorities and market conditions, mean that the planes are no longer a good fit, Deputy CEO Giorgio Callegario said in June.

Aeroflot is instead seeking 34 planes from Transaero Airlines -- including 20 for long-haul flights -- after refusing to buy the indebted competitor, according to Savelyev. It may gain 57 international routes from Transaero, he said.

The carrier is still in talks with leasing companies about prices, he said.

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