



AEROFLOT TO BUY 75%, PLUS ONE SHARE, OF TRANSAERO

News / Airlines, Finance



Russia's Aeroflot, which revealed plans to [buy](#) Transaero Airlines Sept. 1, will acquire 75% plus one share of Transaero for RUB1 (1.53 US cents), TASS news agency reported, quoting Russia's deputy prime minister Igor Shuvalov.

If the transaction is approved by Aeroflot's board of directors, Aeroflot Group will get half the Russian airline market.

The deal follows Transaero's increasing debt burden. In the 2015 first half, its loans and similar liabilities reached RUB67.5 billion (\$1.2 billion).

At the end of December 2014, Russian Prime Minister Dmitry Medvedev [signed a government](#) resolution guaranteeing a three-year RUB9 billion loan to be provided by VTB Bank, which is 60.9% owned by the Russian government. In return, Transaero agreed to freeze domestic fares in 2015, and reduce fares by 5%-7% on domestic routes served exclusively by Transaero.

On Jan. 30, 2015, Transaero [received](#) a three-year RUB9 billion loan from VTB Bank, backed by

the Russian government. According to VTB Bank, the loan planned to be used to finance the carrier's operations.

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